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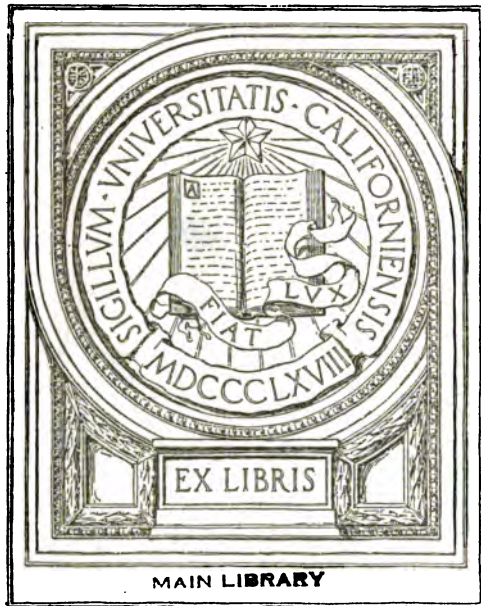
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BUSINESS ADMINISTRATION

The texts listed on this page form the basic material for the organized Business Administration Course and service of the LaSalle Extension University. They constitute a library of standard practice in all the important divisions of business management.

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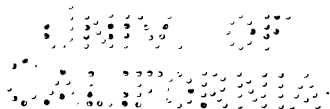
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OFFICE ORGANIZATION AND MANAGEMENT

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**Formerly Lecturer in Business Administration,
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PREFACE

The office is the very heart of efficiency in any business institution. Its influence reaches every department and worker. Its records, reports, and statistics furnish the manager with facts for the intelligent determination of executive policies. It is the means of securing final and complete accountability.

This importance of the office justifies a special treatise on its management, a work broad and fundamental enough to constitute a really constructive guide. The supply of that need is the purpose of this book. It will appeal particularly to business men, the office worker, the office manager, the general manager, and the student of business who desires systematized and well-organized knowledge on the principles and methods of successful office organization and management.

Naturally, a treatise such as this to be at once fundamental and practical develops largely through a trained observation of the principles employed in some of the most successful offices of to-day. Many sources have contributed ideas for this work. The author wishes particularly to acknowledge the courtesies and coöperation extended by the following companies:

National Cloak & Suit Co.
Sherwin-Williams Co.
National Cash Register Co.
United Shoe Machinery Co.
International Harvester Co.
Equitable Life Assurance Co.

The discussion on office appliances and machinery shows the fundamental operations and requirements as

revealed in experience and practice. At the same time, the author feels indebted to a large number of manufacturers of office appliances and devices who very generously supplied him with information that they had collected, often at great expense. He wishes specially to mention: Felt & Tarrant Mfg. Co.; Millionaire Calculating Machine Co.; Ellis Adding Typewriter Co.; A. B. Dick Co.; Rectigraph Co.; Elliott Addressing Machine Co.; Dalton Adding Machine Co.; Montague Mailing Machine Co.; Duplicator Mfg. Co.; The Addressograph Co.; Elliott Fisher Co.; Acorn Brass Mfg. Co.; The Adder Machine Co.; The American Multigraph Sales Co.; Monroe Calculating Machine Co.; Gray National Telautograph Co.; The Postamper Co.; The General Acoustic Co.; Meilicke Calculator Co.; The New Era Mfg. Co.; The Lamson Company; Drop-a-Line Indicator Co.; Multipost Co.; Thomas A. Edison, Inc.; International Time Recording Co.; The New Writeopress Co.; Mailometer Co.; The Signature Co.; Lightning Letter Opener Co.; Ballou Mfg. Co.; Standard Stamp Affixer Co.; Lineatime Mfg. Co.; Automatic Pencil Sharpener Co.; Follett Time Recording Co.; Stenotype Co.; Merchant Calculating Machine Co.; Peerless Check Protecting Co.; American Can Co.; Standard Envelope Sealer Co.; Rapid Addressing Machine Co.; The Roberts Numbering Machine Co.; The Bates Company; and G. W. Todd & Co.

Throughout the work an attempt has been made to recognize adequately the importance of all such factors as organization, management, layout, equipment, methods, systems, records, forms, and, most of all, the human factor, as elements in successful office administration. Thus the book supplies a broad view of all phases of this important business department.

CARL C. PARSONS

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OFFICE ORGANIZATION AND MANAGEMENT

CHAPTER I

ORGANIZATION

A consideration of the management of an office is not the first step toward securing efficiency. Far in advance there must have been the *problematized* consideration of its organization. The successful organization of the present day is a complex affair. It is the well-done, finished compound that issues from the business caldron into which has been thrown such a diversity of ingredients as would have astonished the business men of an earlier generation. The organizer-chemist in his analysis may extract as constituent elements of effective organization such component parts as commercial research, scientific investigation, business systematization, experimental stations, economy experts, welfare work, etc., all ultra-fashionable contemporaries of the aeroplane, the submarine, and the forty-two centimeter guns.

ORGANIZATION PRECEDES MANAGEMENT

Therefore, to be well managed an office must first have gone through the long siege of successive organization; and the efficiently organized office is the one which has a definite purpose to carry out, with carefully selected employees equipped with intelligence, health, enthusiasm,

2 *Office Organization and Management*

earnestness, and a sense of responsibility, ready to do their work and furnished with the proper tools for its accomplishment.

Our manufacturing plants were the pioneers whence the incentive issued in the direction of administrative work, caused by the fact that for many years they were compelled to give attention to just what makes up the compound that will bring about production at the lowest possible cost. Indeed, every factory in existence has of necessity felt the influence of the constructive work that has been done along the lines of improved shop management, efficient operation, and increased output at reduced costs. Keeness in competition has necessitated the adoption generally of improved machinery, scientifically installed. Factory employees have been trained to carry on their work with the least waste of effort; operations have been minimized; the work has been so planned that it follows in a logical manner; and as a result shop management has reached a high state of development.

A like scientific adoption of efficiency methods in offices has not as yet become the universal practice. We are just at the beginning of productive efforts in the campaign to revolutionize the work of the office, to infuse into it the definite purpose, to select employees carefully, to train them properly for their positions, and to equip them with the same high-grade machinery that is provided in the factory.

One finds the greater inclination to approach the problem of scientific organization in the larger offices. There is no reason, however, why it cannot be made to apply to smaller offices in the same manner that the efficiency processes developed in the larger factories are adaptable to the smaller ones.

PRINCIPLES OF EFFICIENCY IN ORGANIZATION

The well-conducted office operates through certain principles of efficiency, which may or may not be consciously applied. If success be lacking, analysis will show a failure to apply at least some of those factors. Harrington Emerson has set forth a dozen efficiency principles, ably epitomized, as follows:

- Clearly defined ideals.
- Common sense.
- Competent counsel.
- Discipline.
- The fair deal.
- Reliable, immediate, and adequate records.
- Dispatching.
- Standards and schedules.
- Standardized conditions.
- Standardized operations.
- Written standard-practice instructions.
- Efficiency rewards.

CRYSTALLIZED IDEALS

The first principle named, to wit, clearly defined ideals, is the king-pin of the set-up of efficiency. On it stands or falls the entire structure of the plan of organization. It is what is commonly known as the "policy of the company."

All persons require a glance at the road ahead, a snapshot of life's itinerary. At the railroad station the intelligent traveler purchases his ticket to a given point; he does not merely board the train and keep on going from one station to another, arriving anywhere; his destination was definitely decided upon previous to the commencement of the journey. Moreover, in our personal life, the ambitious man cannot follow the "Eat,

drink, and be merry to-day for to-morrow ye die" motto, but far away in the future he marks a goal and then determinedly works toward that mark. Otherwise, all the world might as well hold up its hands and cry, "What is the use!"

Likewise, the successful business must put out a definite policy, an ethical goal, presented in a thoroughly clear manner to its employees and to its customers. The healthy, increasing business is logically susceptible to the growth of the *policy* germ; it lodges itself in the very vitals of the organization and quite naturally comes into full bloom eventually as the *reputation* of the house; hence the necessity of a thorough comprehension of the company's ideals by every person representing the house in order that the public may not have the smallest chance of misunderstanding them.

The public interests itself in such policies more generally now than formerly, because they are the measure of the usefulness of the firm and of its right to exist, and even though the true policy of an institution may not be formulated and published, the public will determine what it is, for it nevertheless gradually becomes apparent in the actual daily life of the business and may not be concealed. It should not be superficially attached as an attractive interpretation of what the firm thinks the public would like to hear, or as a selling feature, or as an advertising talking point, but there should be a straightforward, explicit assertion of the firm's business principles, a definition of its policy showing the reflection of the individuality which marks it and sets its standard.

Before a corps of employees can be loyal to an institution, before employees can do acceptably the work that is required of them, they should know what the institu-

tion stands for, what it proposes to accomplish, what it wants done, and what it will do. In no other way can the employee carry to the public an adequate interpretation of what the company is endeavoring to achieve and of the place it hopes to occupy in the community.

FORMULATION OF PURPOSES

The ideals of a company encompass the purpose it has in being in business, the plan on which it is founded, a statement of what it will do to get and to keep business, a statement of the manner in which it treats its customers in regard to those things which are not a matter of price or quality but are matters of service, and a statement of its give-and-take relations with its employees. Latterly, large organizations have found it of value to make that policy known in a particular way. It should be crystallized and reduced to a printed form, thus aiding all the company's employees to join hands and demonstrate the strength of the everybody-all-together movement and to work in harmony and accord.

The Sherwin-Williams Company's code of principles might well serve as a model of its kind, so complete is it in its compilation, so concise and direct its meaning. It is as follows:

To win on our merits.

To be the best and largest concern of the kind in the world.

To be broad and liberal as well as aggressive in our policy and methods.

To take a pride in our institution.

To be loyal to the company and to each other.

To foster good fellowship among ourselves, and to take pleasure as well as profit out of our work.

To strive constantly for the improvement and advancement of the business and ourselves.

To be considerate, polite, and courteous in all our dealings within and without the company.

To be high toned in everything, everywhere.

To grow in knowledge and character as well as in size.

Efficiency—Make the most of the business by making the most of yourself.

Merit begets confidence. Confidence begets enthusiasm. Enthusiasm conquers the world.

On the fiftieth anniversary of the founding of the Wanamaker Stores, that organization advisedly issued¹ a restatement of the policies which gave to those stores their singular prominence and set a new standard for merchandising in our country. It was the familiar Wanamaker "Golden-Rule-in-Business" principle strictly adhered to and conscientiously carried out by all employed in all transactions however great or small which has done so much toward placing retail selling on its present high plane and eliminating the deceptive features of trade which prevailed at one time. That principle was the precursor of the downfall of the ancient doctrine of *caveat emptor* which, by the way, has run its course and left in its wake the unique principle, typical of the present progressive age, which protects the customer against himself. Other merchants have fallen in line and find themselves successful in carrying out that principle and similar innovations of the old-time policies.

In a quotation from the Golden Book of the Wanamaker Stores, the policy referred to is here set forth verbatim:

First—As to the Public:

- (a) A service exactly opposite to the ancient custom that the customer must look out for himself.
- (b) A kind of storekeeping absolutely new in its ensuring protection from wrong statements, printed or spoken, ignor-

ant or wilful, in reference to origins of merchandise, their qualities, and actual values.

- (c) An elimination of so-called privileges to customers, as privileges when they border on humiliations, because hospitality as well as the return of goods for refunds or reclamations are *rights* that spenders of money are entitled to as rights, not as favors.
- (d) Recognizing and practicing the manifest, though unwritten law, that customers are entitled under our system to the maximum of satisfaction at the minimum of cost, for the reason that they pay the usual and ordinary expenses of storekeeping, which are always included in the price of merchandise.
- (e) Securing to each individual dealing with us to the last analysis, exactitude of intelligent service and full value for value received in every transaction.

Second—As to the Working People:

- (a) An admission as a fundamental principle that workers are entitled to further considerations beyond legal wages, covering their welfare and their education.
- (b) To see that employees are not overreached or overlooked, and making it possible that there shall be nothing between a man and success, but himself.
- (c) To provide education to employees as the only means of doing what legislation or combination cannot do, the improvement of their earning capacity, labor, and capital, adding to the sum of human happiness.
- (d) That the education provided shall not include the dead languages or other useless studies to the detriment of the practical and technical everyday-work studies that aid in making a better living.
- (e) That the education must at the same time go towards the development of character in order to enable the man to better engineer his life to higher living and greater happiness, as well as to earn his daily bread.
- (f) To keep foremost the observance of the spirit as well as the letter of laws that govern our business transactions and relations to each other.

- (g) A fixed plan of retirement of employees on retired pay to give rest and recreation to the old and chances for promotion to the younger people.
- (h) A Court of Appeal, chosen by the employees, to hear and adjust impartially any complaint the employees desire to lay before such a court for reference.

Cardinal Points of the Business:

- (1) The assembling and distribution of the best products of the world upon the most intelligent and economical basis.
- (2) The ablest management, most thorough accuracy of service, and, because of the fairest treatment of all the workers, from the humblest to the highest, the finest comradeship.
- (3) The life and soul of the business to its honor.
- (4) That the aim and purpose of the business must always be, that as the business rises it must lift every worker with it.

Each day's sailing directions for the ship, captain and crew to read and follow every day.

The Wanamaker Idea:

The foregoing states simply and briefly the Wanamaker Idea.

It is not a mere sentiment. It is the mercantile law in operation towards the people within and without our buildings. It requires the merchant to live and work by standards as high as the clergyman, the physician, and the college professor. It makes way for the elevation, contentment, and prosperity of employees willing to make the effort to help themselves. The Founder has framed it in words that it may form the compass and chart for all who come after him.

Let nothing sag or fall. Hold fast all we have wrought into the system, and add to it out of the ever-ripening experience, and by all means to see to it that no one fails to keep step in the march of progress. Inflexible it must be—step on, or step out.

All can help, but none shall hinder.

Keep the ship on its keel, and whatever else is left undone, see that it keeps moving in the channels here staked out.

A declaration of policy and consequent strict adherence to it in every office is the primer in the curriculum graduating into perfect organization and effective management. It teaches the discipline that develops a satisfied employee, making him understand what is expected of him and why, and prompts him to attack his task with vigor and spontaneous impulse.

METHODS OF ORGANIZATION

Commercial research and the introduction of vocational courses and the study of commerce and finance into our system of education, have evolved an analysis and consequent classification of the methods of operation. The analysis shows that business organization in its development assumes one of three forms, usually designated as "military," "functional," and "line-and-staff."

MILITARY ORGANIZATION

The most familiar type corresponds to what is known as the "military" plan of organization. It develops from the one-man-at-the-head basis and, directly responsible to him, one person has unlimited control over a branch of the company's work. The flow of authority passes down through these various heads to the men below. Figure 1 shows the military form of organization.

It is claimed that the military plan is the least satisfactory of them all, the contention being that it does not give that cohesion which is required in every business. In one of our very largest offices which is organized on this plan, there are eight departments, and the eight departments are virtually eight different offices. Still another manifest objection to the military plan is held to be because of the rare combination of thinking, plan-

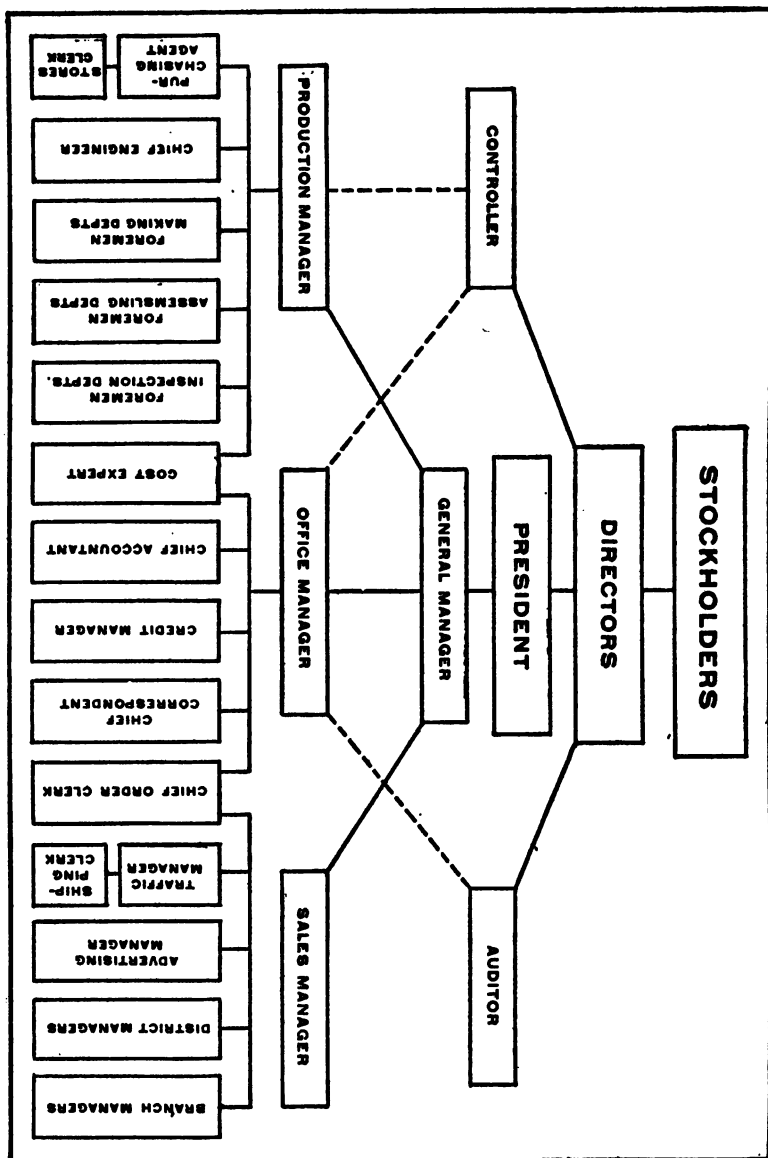


Fig. 1.—Military Plan of Organization

ning, and doing that must be found embodied in one individual, and with those personal qualifications in mind as the measure of each department head, the difficulties are obvious. The training of such a many-sided individual is a long and difficult task not especially well adapted to the inability of modern labor.

FUNCTIONAL ORGANIZATION

Frederick W. Taylor, the well-known expounder of scientific management, is the originator of the functional plan. He makes the analysis of a work reach into its final elements; an expert then takes those elements and solves the problem of how they may be handled advantageously when directed toward a specific purpose by the average person. If, for example, a particular class of card record had to be kept, an analytical study of all the details of operation used would be made; detailed written instructions would be compiled covering the work showing the manner in which the cards are to be taken from the drawers, how the entries are to be made, and each operation minutely described until the card is back again in the tray. The employees would be drilled in their work until they became proficient. There would be one person at the head of the department who would supervise the training features of the work, and his constant endeavor would be toward improvement.

Under this method of organization each worker, whether executive or clerk, has the fewest possible duties to perform. The purchasing agent, for example, would have nothing to do with the purely office duties under this method. Figure 2 shows an office manager's chart developed on the functional idea. Objection to this method may be justified on the ground that it accents the machine idea of the work and that it lacks humaneness.

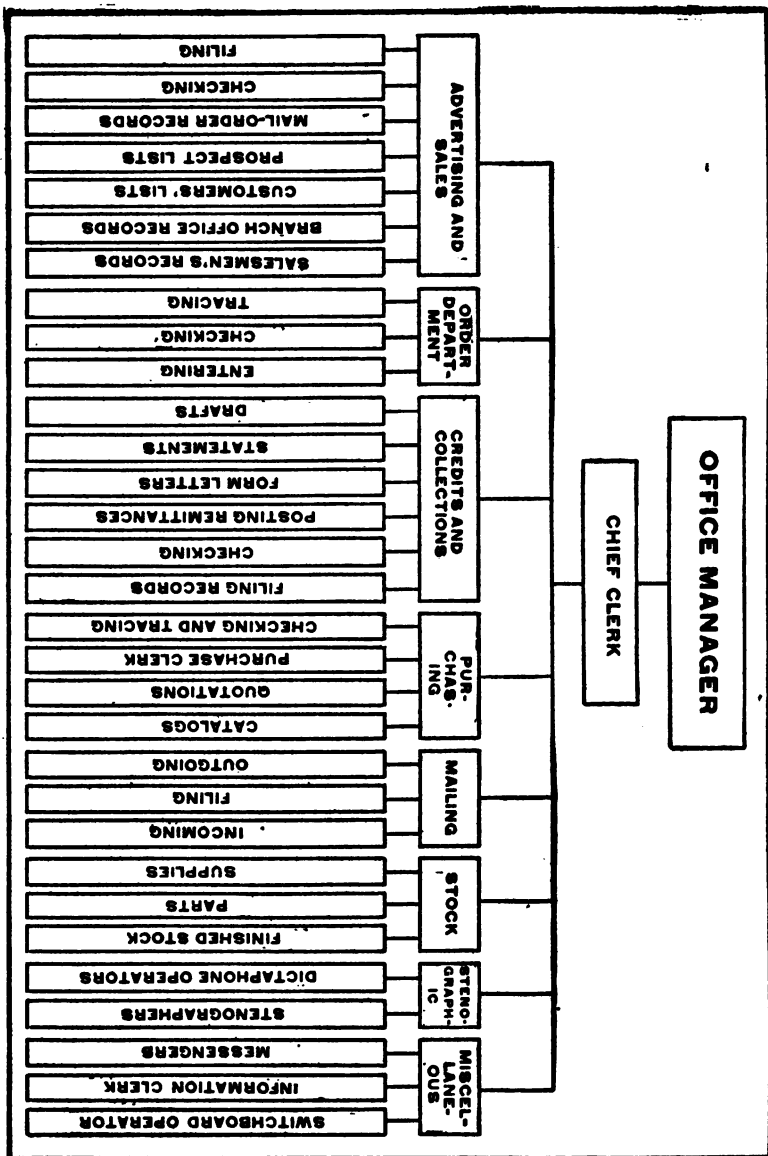


Fig. 2.—Chart of Commercial Organization in Which the Functional Plan of Organization Has Been Developed

LINE-AND-STAFF ORGANIZATION

The third method of organization is one advocated by Harrington Emerson. It is the line-and-staff principle of organization and bears a relation to the line-and-staff idea as carried out in modern armies effective since the Franco-Prussian War. The staff is composed of planners; the line is made up of workers. The staff is composed of experts, who instruct the principal line officers as to what are the best methods for handling their work, and the latter, in turn, train the men under them. The work of the staff has been summarized as follows:

To lay down the plan on which the business shall be developed, then to determine the department which shall carry out each part of the plan.

To determine to what particular men shall be assigned each particular work, and to prepare standardized instructions by which it shall be done most efficiently, that is, at the greatest saving of expense, worry, and effort.

To arrange a correct system of compensation, to reward the most efficient, and to penalize the inefficient.

To surround the workers with the mental, moral, and physical conditions to expedite work.

To prepare a code of principles which shall embody the policy of the house towards outsiders and insiders.

To prepare a system of promotions, so that employees may know what advance awaits them in case they make good.

To show by charts and explanations of the organization at large just what part each employee takes in the general scheme.

To lay down rules for the conduct of the entire organization.

To make every person in the organization understand that there is a certain person to whom he may go for help or for information in regard to any part of the company's business, no matter how large or small.

To organize and supervise the welfare work.

To make the work of the employees interesting and to get the

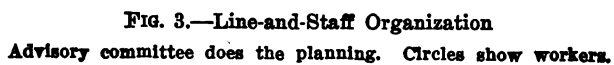
same spirit into the business that the employee would put into his sport and games.

The *staff* is necessarily a body of experts who are not officers in any department, each of whom knows all about some branch of the company's business and is conversant with other classes of business. It is also made up of hired specialists, such as advertising experts, office experts, and factory experts, who may be permanently employed or who may serve part of their time or may merely be called into consultation. These men determine the best methods of doing each part of the work.

The *line* is composed of the department heads, assistant heads, and employees, so arranged according to definite lines of authority as always to have someone in charge of each line. Their work is to carry out the orders of the staff in the manner that has been prescribed and to make use of the expert assistance of their staff whenever unusual conditions arise.

The *line-and-staff* plan of organization possesses characteristics which seem to recommend its adoption. The emphasis is laid on the men rather than on the various operations; it has more of the human element in it than the purely functional plan. There is cohesion. The planning is done by those selected because of their fitness for the purpose, and the execution is accomplished with systematic uniformity by those who spend all their time doing and working, not being burdened with the responsibility of planning. There is primarily the thoroughly developed plan with provisions to take care of any contingency which may arise. The plan is then developed so that the organization is based on functions.

The system, as described, in operation in a manufacturing plant with twenty men in the thinking department and seventy-five men in the working department, turned



Advisory committee does the planning. Circles show workers.

out twice the amount of work that it did when the shop had one hundred and five men and no planning department.

Organized work under the direction of organized thinking is the highest type of scientific constructiveness. Figure 3 shows the line-and-staff organization. The advisory committee does the planning.

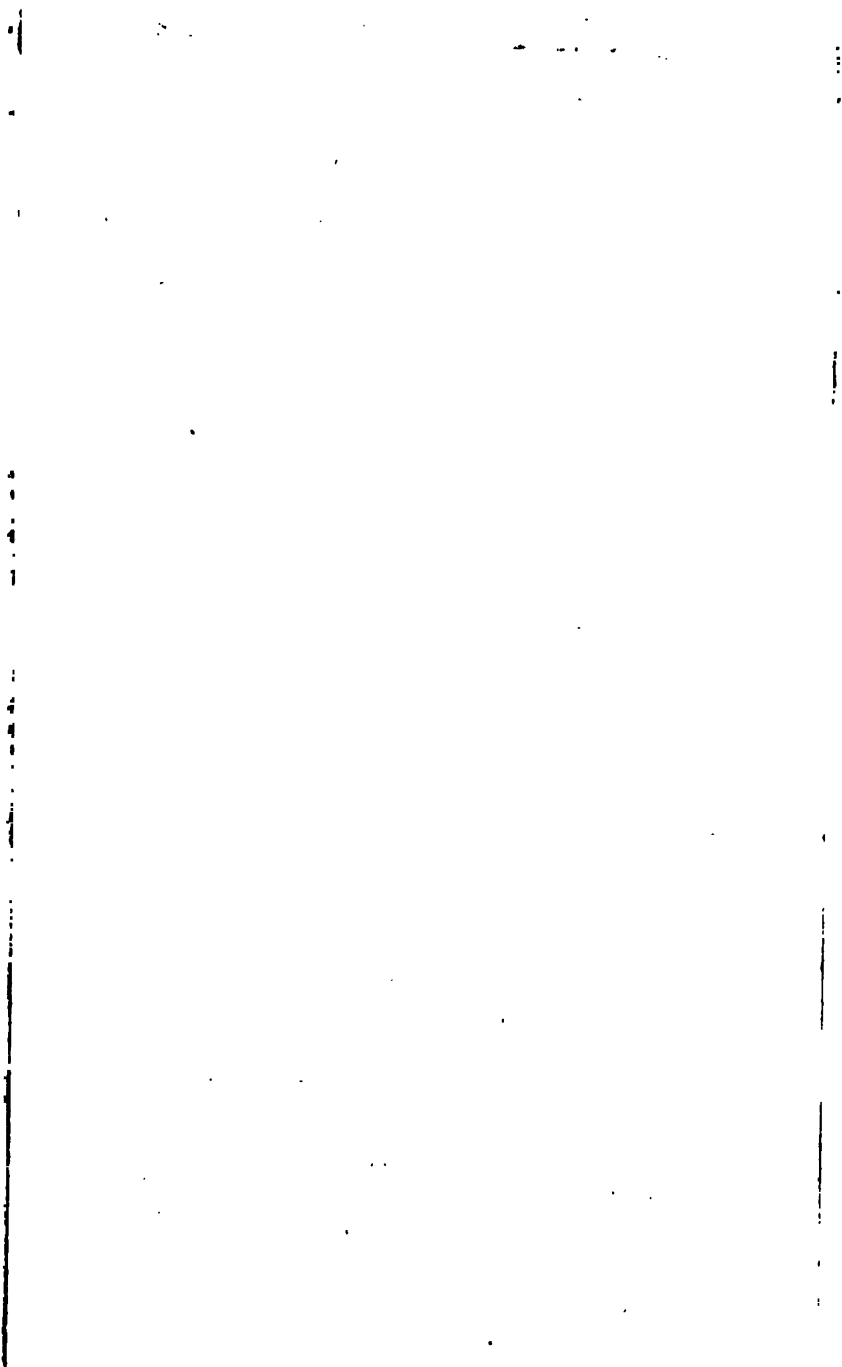
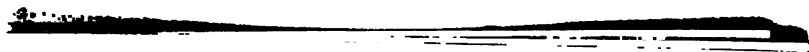
VALUE OF ORGANIZATION CHARTS

The plan of every organization ought to be shown by a chart in order that each component may know just what his position is in relation to all the others. The chart is the score board of the game of organization, listing players and their rankings. A graphic visualization is the surest, quickest, and most lucid method of making every employee realize what the organization is, to whom he is responsible, and those who are responsible to him.

Figure 4 shows the organization chart of the National Cash Register Company. This may be studied to advantage both on account of its unusual form and suggestive arrangement.

TEST QUESTIONS

1. Why should a problematized consideration of organization precede efficient management in an office?
2. Why were efficiency principles worked out earlier in the factory than in the office?
3. Account for the fact that some of the general principles of efficient office organization and management were worked out first in the larger offices.
4. What are the twelve principles of efficiency set forth by Harrington Emerson?



5. Indicate some of the reasons why clearly crystallized ideals are an essential foundation to successful management.

6. What are the most important points in the code of principles adopted by the Sherwin-Williams Company?

7. What are some of the cardinal principles of the Wanamaker code?

8. What are the three typical forms of business organization?

9. Describe the characteristics of the military organization.

10. What is the fundamental idea underlying functional organization?

11. Explain exactly how line-and-staff organization differs from military organization.

12. What is the purpose of organization charts?

CHAPTER II

LAYING OUT THE OFFICE

When the factory expert lays out the plan of the factory, he begins by determining exactly every operation in the manufacture of the goods. The ideal plan in any producing plant is to have the raw material come in at one end of the building, pass in order from one machine to another, and come out a finished product at the opposite end of the building, having taken the most direct route through the factory without one false step.

THE STRAIGHT LINE PRINCIPLE

Exactly the same course should be pursued in the arrangement of an office. Just as the progress of the work through the factory determines its layout, so does the handling of orders determine the stream of office work. Beginning with the incoming mail, there should be mapped out the route of the order from the desk where it is opened, through the various stages of its progress, down to the filing of the copies after shipment has been made.

As a preliminary survey, it is necessary to gather reports of the various steps in the work as it is approached, performed, and concluded and to examine carefully the details of the operations of each department in turn. By this process every condition will be made apparent, and it will be possible not only to arrange the work so it may

be carried on within the smallest confines, but also to ascertain the particular location and the correct size of the different departments to handle every detail.

Office operations repeat themselves many times; consequently a slight waste in any operation becomes a serious matter, as it is likely to occur again and again. If the work is passed in a straight line through the various departments of proper size, and correctly arranged, efficiency may be maintained. If accurate reports are taken, it is easy to indicate where work is unfinished or crowded and what departments are cramped or are needlessly spread out. Thus will be made provision for the steady flow of detail through the office. Figure 5 shows in an exaggerated form the beneficial results which may be secured through proper planning.

CHARTING OPERATIONS AND SPACE

After the many details preliminary to laying out the work of the office have been examined, the simplest method is to make a map showing the precise layout of the room drawn to scale. On this map may be placed the desks, chairs, filing cabinets, and other parts of the office equipment, made of small bits of cardboard, which are also cut to scale and labeled. Tacks of different colors to indicate the departments can be used for fastening the cardboards in place. The entire arrangement may thus be effected.

To illustrate with what accuracy an office may be planned by means of a floor drawing, figured to scale and locating desks, chairs, filing cabinets, and all other equipment, by the method described, we cite the case of one of the largest city departments in New York, which arranged its moving and establishment in its new offices in the recently erected Municipal Building with such care

and forethought that the clerks left their places in the old offices on Saturday noon as usual and resumed their duties in their new home Monday morning with each desk and each piece of equipment arranged so satisfactorily that no change has since been made.

If continuous reports, showing the amount of work that comes in each day and the amount that is left undone each day, are taken from the departments, it is possible to arrange the office on the map to meet the normal requirements of work. From such daily reports there will come a better adjustment of the equipment, until the exact adjustment may be met and satisfied. If the route of the work each day be checked along with the daily reports, it will facilitate the elimination of every unnecessary step and every extra motion. Orders will progress in a straight line; each part of the work can be adjusted in size, equipment, and working force to do its full share of the work. The departments may be studied so that the locations of those having relations with one another are arranged to carry out the entire scheme most advantageously.

ADAPTATION OF LAYOUT TO BUILDING

The layout of the office must depend, to some extent, upon the plan of the building. However, sufficient space and the easiest arrangement for handling the work in a straight line without duplicating motion and cutting out all unnecessary details, are of prime importance. One function should be performed at a given desk, and the next operation at the following desk, and so on. This avoids needless travel.

PLANNING FOR EXPANSION

Yet another important point in laying out the office is allowance for the expansion that is bound to come in

every successful institution. There must be a space available for the expansion of the entire office, as well as for the expansion of any department in the office. Perhaps the best way to allow for such expansion is to avoid solid walls and partitions as much as possible.

PRIVATE V. GENERAL OFFICES

In many concerns the custom of having a large number of private offices is gradually going out of fashion. Only those officials whose work is of a kind that their conferences must be confidential or whose work is of a nature that absolute quiet is essential, require private offices. In many cases private offices have been put in simply to satisfy the whim or vanity of an official who feels that his dignity and his authority may be increased thereby. One serious objection to private offices is that they are usually next to the outside wall of the building and obstruct the light so that it cannot come into the general office where it is needed. Wherever partitions are used, they should be adjustable and removable and preferably of plain glass; all the available light is none too much.

It is a rule with some, instead of having many private offices, to have a small number which may be used for consultation purposes and for meetings that must be private, while the general work of the officials is done in the outside office. There is, however, a real objection to partitions in that they take up space and do not permit readily of the slight changes which are constantly necessary to secure the best adjustment of the work. Changes are continually springing up; hence, it is well in any office periodically to check over the layout following the lines along which it was first mapped out to determine any rearrangement which might facilitate the routing

through of the business in the quickest and most direct manner.

ORDER AND CONVENIENCE

While the saving of space is desirable in every office, order and convenience stand first in importance. The general appearance of disorder and confusion caused by a crowded office reacts upon the workers themselves and tends to give the work turned out a similar character. The most satisfactory office is one designed in a way to furnish every employee with space enough to carry on his work without crowding, and with the entire work in sight from one end of the office to the other, and with nothing in the office high enough to obstruct a view to each employee. Employees do not, as a rule, wilfully waste time, yet wherever every person is in sight of those who are in authority, there is undoubtedly less time wasted than where some or all are hidden from view.

Employees in an office should not be crowded too closely together, else the results of their work will be unsatisfactory. Certain measurements have come to be well defined, as for example:

Aisle spaces should be three feet at the least and preferably three and one-half feet.

Where employees work back to back, four feet should be allowed between desks.

In front of filing cabinets the usual aisle is five feet, which allows anyone to pass even when the operator has the drawer fully extended.

The space required for each employee, including his desk, chair, and aisles, is from 110 to 125 square feet.

PHYSICAL CONDITIONS AND ENVIRONMENT

The physical state of the office, the lighting, heating, and ventilating, has its influence to a great extent upon

the character and the quantity of the work which is turned out. No one can do satisfactory work for eight hours a day under conditions of inadequate light, insufficient ventilation, or an uncomfortable degree of temperature. If faults of this nature prevail, the intensity of the work will become manifestly lowered during the last half of the day's work.

It has been asserted by experts, based on computations made by them, that the efficiency of an office can be more than doubled by having the physical conditions correct. Therefore a constant effort should be maintained to keep the conditions as nearly perfect as possible. It is to be regretted that large office buildings in our cities are laid out primarily to afford as large a rental as possible, leaving as a secondary consideration the highly important questions regarding the efficiency, health, comfort, and happiness of the workers.

Also, offices in our manufacturing plants in a majority of cases were not laid out as offices originally but are simply a part of the factory remodeled so that the space may be utilized for office work. However, there has been an improvement within the past few years, and in buildings erected to be used for both factories and offices the lighting conveniences are given greater consideration.

LIGHTING THE OFFICE

At the present time, in spite of the fact that originally a building may not have been designed to give the most effective lighting, a fairly satisfactory result may be obtained in the arrangement of artificial light, though under its best conditions it is never equal to the natural light. Tests have been made to discover how light may influence the efficiency of employees; in all cases recorded the largest amount of work is accomplished at desks next to the

windows. With adequate artificial light almost as much work can be done. With poor light the work will fall off over 25 per cent. If this is multiplied by one hundred for that number of employees, for three hundred working days in the year, the worth of proper lighting appears to be beyond argument, no matter what the expense may be.

There are three methods of lighting: *direct*, *indirect*, and *semi-indirect*. Where an office is dark, where the walls are dark, the floor dark, and the furniture of dark wood, only direct lights give adequate service. Ceiling lights are required for general illumination and desk lights for employees who are working continually over books or figures.

Indirect lighting has not proved satisfactory for office work. For some classes of show rooms, where a bright light is not required, indirect lighting has its advantages.

The most popular lighting at the present time, and one which is coming into favor more and more, is the semi-indirect. Part of the light passes down through the globe directly but through a material of a kind that produces a soft light and eliminates the glare which is injurious to the eyes. The construction of the globe causes the balance of the light to be thrown on to the ceiling, and from there it is reflected through the room. In order to produce the best results the walls should be light, the floors should be light, and the furniture should be a light finish. All material used in an office where semi-indirect lighting is used should be a dull finish, and even the papers and books should not have a glaze. It is possible to have the indirect lighting of an office so accurately adjusted that the conditions for every employee will be nearly as perfect as if the work were done in the most carefully arranged distribution of daylight. The value of such a condition from an efficiency point of view is obvious.

HEATING AND VENTILATING

Adequate ventilation and regulation of heat must receive continuous consideration in the office. A cool, well-ventilated place in which to work is an important factor in assuring the necessary comfort of the employees and in keeping their efficiency up to the highest point. Where this essential has not received due attention, the results obtained from a force of workers have by actual tests been shown to be less than 50 per cent of the mark it would have reached under satisfactory conditions.

The one way to insure the correctness of these conditions is to turn the work over to an engineer and place the responsibility upon him to determine just what must be done to produce proper heating and ventilating. Whatever expense may be incurred in such work as this will be made up in less than a year by the increased efficiency of the employees.

In smaller offices where this is not practicable, much can be done to overcome even minor defects if some one person is made responsible for improving the conditions. It is the one effective way to secure the maximum effort from the working force and to eliminate the drowsy and wasted attempt which is found in so many offices in the latter part of the day's work. A comfortable and invigorating atmosphere in the office is conducive to continuous hard work, and where that is lacking no artificial stimulus will take its place.

ELIMINATION OF NOISE AND CONFUSION

A great deal of work has been done in recent years toward the elimination of noise and confusion in offices. It is now possible by the application of certain sound-deadening processes and by the proper adjustment

of the acoustic features of a building, to eliminate practically all noise and reverberation. Combined with these changes which are made in the construction of rooms are the proper floor covering to deaden sound, noise-reducing attachments for all desks on which machines are operated, and the proper circulation of washed and filtered air throughout the building so as to allow the closing of the windows and the consequent exclusion of all noise from the outside. Engineers engaged in this work in the government buildings in Toronto recommended the segregation of all office machines and filing devices; hence, except where these appeared, there was a genuine absence of noise.

Efficient work cannot be done in a noisy office, and the time is coming, and very soon, when offices will be less like boiler factories than many of them are at the present time. A surprisingly practical quiet may be secured by a combination of all these precautions. In addition, a careful laying out of the office in order that those who need absolute quiet for their work are apart from others who must necessarily cause some confusion by their movements and conversations, will give better working conditions for all concerned.

TEST QUESTIONS

1. What is meant by the straight line principle in the laying-out of an office?
2. What preliminary investigation should be undertaken before a layout is attempted?
3. Indicate the chief points to be considered in charting the layout of an office.
4. What are some of the things that should be done in considering future expansion of the office?

5. What are the arguments for and against private as against general offices?

6. Enumerate some of the standard measurements used in the layout of an office.

7. Indicate the most important points to be considered in the physical conditions and environment of an office.

8. What are some of the most practical means of eliminating noise and confusion in an office?

CHAPTER III

OFFICE EMPLOYEES

PRINCIPLES OF SELECTION

Experts are now generally agreed that the greatest economic waste in the country at the present time is caused by the fact that capable employees are ineptly placed as regards their positions and consequently are not producing the full measure of their capacity. There are too many square pegs in round holes and too many round pegs in square holes. To fit the round peg in the round hole and the square peg in the square hole is the problem of the employment expert aided by the welfare department.

Not even a modicum of blame can be laid upon the shoulders of the man who through stress must acquire the necessities of life by accepting remunerative employment of any nature whatsoever. Hence, some responsibility must attach to the man who gives too little attention to the selection of employees, to the provision for their gradual advancement through the business, and to their training after they have been employed.

On the part of the employee, sometimes not through necessity but through laziness, indifference, or lack of ambition, the first job offered is accepted without considering whether the work is of a character for which he is fitted, or whether it offers the necessary inducement for

advancement, or whether conditions point toward making the work profitable later on.

We have reached the point in the progress of the brotherhood of man where employment incongruities are being recognized by the employer, and where saner methods in hiring, training, and promoting are receiving consideration and are being adopted. There is posted in the offices of the Pennsylvania Railroad a statement of the company's position (which also is an acknowledgment of the company's responsibility) in relation to its employees. That statement sets forth the following:

The management of the Pennsylvania Railroad system believes that the greatest asset is the loyalty and efficiency of its men. In normal times the Pennsylvania system has 250,000 employees; the company pays the highest prevailing rate of wages received by railroad employees in the territory in which it operates; the policy of the Pennsylvania system is to insure that all its relations with its men shall be characterized by fairness and friendliness; the Pennsylvania system early realized the importance of training its own officers; this, of course, carries with it the training of its own men. To make the service attractive it is essential that employment as far as possible be permanent; the man of to-day is the officer of to-morrow; the organization is in substantial respects a civil service; this company is endeavoring continually to develop its organization, to insure itself of the loyalty of its men, and to build up an efficient and economical transportation enterprise.

This simple avowal of principles aimed at benefiting both employer and employee is the initial step in the march of progress towards securing the right man for the right place—in other words, the square peg for the square hole—and training him to carry on his work efficiently and offering him the necessary education to advance.

THE EMPLOYMENT BUREAU

Scientific employment departments are an established part of all large institutions. Wherever the office is not large enough to warrant a separate department, scientific and systematic methods can be followed by placing the hiring in the hands of a properly qualified person, one with intuition and judgment in the appraisal of men. It has been estimated by the Curtis Publishing Company that before it adopted scientific methods in hiring, testing, and teaching its office employees, it cost \$100 to fill a position in its office, but since its new methods have been installed, the cost of employment has been reduced 90 per cent.

The first essential toward systematic employment is that every job in the office should be standardized and a method developed for ascertaining the requisites of the man who is to fill it. For every other purpose in life we determine somewhat accurately what we wish to accomplish and then calculate what will most nearly answer the requirements for its fulfillment; but in hiring our employees we waste 60 per cent of effort, at least, because we keep filling positions over and over again. Someone has said that there is no lack of brains in the world but that the great economic loss is their misapplication as regards their proper sphere in life, as well as lack of development as the years go on.

A regrettable, noteworthy feature of careless hiring, poor training, and lack of correct methods of advancement is that we find employees in almost every business whose salaries have been gradually advanced solely for the reason that length of service rather than increase in efficiency, has been the measure of promoting; and after a period of time when conditions have changed, the em-

ployer is compelled either to retain the man at a higher wage than his services warrant, or to let him go when he is so far along the road that it is impossible for him to secure another position as lucrative, or to start life over again.

Katherine M. H. Blackford, the employment expert, has said:

While we cannot yet give every child competent vocational guidance and educate his parents to coöperate with him and us, we can make, and have made, a profitable start in that direction by selecting and assigning men and women according to their inherent fitness for the work they are to do, thus accomplishing three desirable results; i. e., making them more efficient and happier, increasing the profits of their employers, and demonstrating the practicable application of scientific selection. This has been done through a properly equipped employment department in charge of expert character analysts who interview, select, and assign men.

The functions of the employment department outlined by the same author are as follows:

1. To number all positions and list the qualifications for each.
2. To find, analyze scientifically, and recommend for employment in the work to which they are best adapted, all the workers needed.
3. To secure for all positions the very best human material obtainable.
4. To outline the readjustment of the workers employed so as to secure the best results.
5. Gradually to eliminate the unfit and place those retained where they will be the least objectionable.
6. To take steps to secure applications from desirable men not at present obtainable or particularly needed; to analyze and list these as a reserve or source of supply.

7. To keep accurate records of the deportment and performance of every man,
 - (a) As a means of dealing with the man himself.
 - (b) As a check on efficiency of the employment department.
 - (c) As a means of determining the trend of the whole organization.
8. To investigate, consider, and bring up for adjustment all cases of inefficiency, discontent, inharmony, and misunderstanding.
9. Taking "competent counsel," to establish a minimum wage rate for each position or secure the best human material obtainable for each position at as low a rate as possible commensurate with justice to employer and employee.
10. Systematically to make known the ideals of the organization.
11. To familiarize each worker with the qualities considered to be ideal for his job—then inspire him to strive for their attainment.
12. To form classes among executives, superintendents, and foremen for inspiration, suggestion, and instruction as a scientific method of understanding men.
13. To determine and render available as far as possible all the latent genius and special abilities of employees.
14. Beginning at the top, to endeavor to instill into every individual the "spirit of the hive," the desire to coöperate, to "play the game."
15. As far as possible, to select and educate understudies for every position of importance.

This plan eliminates the hiring and discharging of men on a guesswork basis. The one practical way of determining the value of the employee is by efficiency charts, to show what has been ascertained about him before the date of his employment and to keep a record of his present work. If this is checked up continually and if we go over with employees personally those matters in which they seem to be weak, we gradually weed out the

unfit and unprofitable, or we may be able to bring them into positions where they are of value.

A simple method of determining the qualifications which we look for in every position in the office is also by the use of a chart. When an applicant is considered for a position, instead of guessing because of some past alleged experience that he may be able to do the work, we may find out upon referring to the chart exactly whether he has the elements of fitness which will enable him to fulfill the requirements of the vacancy, provided he is given the necessary training.

THE EMPLOYMENT PROCEDURE

The usual method of procedure in an employment department is to have printed blanks for the use of the various department heads, which are to be filled out by them whenever new men are desired. When the qualifications for each position have been definitely decided upon, as each applicant is interviewed the employer puts a grade after each quality, showing how near he comes to being 100 per cent efficient. After all the applicants have been examined, it is an easy matter to pick out the cards of those who are nearest the 100 mark for a final determination. Out of this final sifting the best two or three may be selected, and these are turned over for a last decision to the person who has made the requisition. This double check if accurately handled should furnish the right man for the right place.

HEALTH AS A FACTOR

One feature which should always be considered in the selection of office help is the health of the applicants. Losses from this caused both on account of poor work and on account of time lost, amount to a considerable

sum. It may even be a kindness to turn down an applicant whose physical condition and health is such that he should be an outdoor rather than an indoor worker.

This applies not only to the physical condition of the worker but to the mental condition as well. In many large employment departments physicians are employed to examine persons who have been tentatively taken on in order to determine whether they have the proper health to go on with the work and also to preclude the danger of bringing unhealthy conditions into the office, and the consequent possibility of affecting those already employed.

THE TRIAL PERIOD

It is generally assumed that all employment is for a trial period and that if the worker comes up to the requirements in the period of training and shows proper adaptability for his duties, then his position becomes permanent. There ought to be in the beginning a definite understanding, of course, with anyone who is engaged in this manner: as to whether he is or is not permanently hired; as to the exact length of time that is to ensue before a definite decision is made; and the applicant should know as quickly as possible what the requirements are and the tests to be undergone.

EMPLOYMENT FORMS AND THEIR USE

Figure 6 shows the application for employment blanks of the Equitable Life Assurance Society. The applicant for an office position fills out the first page in his own handwriting. On the second page are shown the results of the tests given to clerks. Fifteen words are used for a test in spelling, and these words are selected, naturally, from those which pertain to the insurance business and are the words which the applicant would be likely to use

NOTE:—BEFORE THIS APPLICATION IS FILED FOR FUTURE CONSIDERATION, A COMMERCIAL EXAMINATION IN PERSON IS COMPULSORY.

RATING:

THE EQUITABLE LIFE ASSURANCE SOCIETY OF THE U. S.
NEW YORK, N. Y.

NUMBER:

APPLICATION FOR EMPLOYMENT.

APPLICANTS MUST ANSWER ALL QUESTIONS IN THEIR OWN HANDWRITING IN INK.

1. What is your full name? _____
2. Where were you born? _____ When? _____
3. What is your present address? _____
(Give Number, Street, City and State.)
4. If you can be reached by telephone, give number? _____
5. Occupation or Profession? _____
6. Give record of positions held by you, including your present or last employer:

From What Date (Give Month and Year.)	To What Date (Give Month and Year.)	Employed as	In Service of (Name of Employer or Corporation.)	Address.	Why did you leave.

7. If you were ever discharged state frankly for what reason? _____
8. Are you married or single? _____ If married, how many children have you? _____
(State if widow or widower.)
9. Who else is depending upon you for support? _____
10. Are you living at home or boarding? _____
11. Did you graduate from Grammar School, High School or College? _____
12. If stenographer or typist, what machine do you operate? _____
13. Please give below the names and addresses of three persons for reference who have had a close personal acquaintance with you and who are not related to you:

NAME	OCCUPATION	ADDRESS Number, Street, City and State.

14. State compensation desired? _____

Date _____

Signature _____

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FIG. 6.—Application for Employment
Complete description of applicant.

SPACES BELOW NOT TO BE USED BY APPLICANT UNTIL PERSONALLY REQUESTED TO DO SO.

SPELLING.

1. _____	6. _____	11. _____
2. _____	7. _____	12. _____
3. _____	8. _____	13. _____
4. _____	9. _____	14. _____
5. _____	10. _____	15. _____

ARITHMETIC.

1.	5.
2.	6.
3.	7.
4.	

FIG. 6.—Application for Employment—Continued
Tests for qualifications.

SPACES BELOW NOT TO BE USED BY APPLICANT.

BOYS AND CLERKS.

SUBJECT	RATING	WEIGHT GIVEN TO SUBJECT	PRODUCT OF RATING AND WEIGHT
1. HANDWRITING		15	
2. SPELLING		15	
3. ARITHMETIC		25	
4. APPEARANCE		25	
5. GENERAL QUALIFICATIONS (Education, Experience, etc.)		30	

**TYPISTS, STENOGRAPHERS AND
DICTATING MACHINE OPERATORS.**

SUBJECT	RATING	WEIGHT GIVEN TO SUBJECT	PRODUCT OF RATING AND WEIGHT
1. HANDWRITING		5	
2. SPELLING		25	
3. ARITHMETIC		5	
4. COMPOSITION (Includes copywork of transcription and business of work.)		25	
5. APPEARANCE		30	
6. GENERAL QUALIFICATIONS (Education, Experience, etc.)		30	

AVERAGE _____

REMARKS:

FIG. 6.—Application for Employment—Continued
Standing of applicant. One with highest rating secures position.

SPACE BELOW NOT TO BE USED BY APPLICANT

REPORT ON PHYSICAL CONDITION OF EMPLOYEE.

Name _____ Address _____ Born _____

Married or Single _____ Weight _____ Height _____ Chest _____ Exp. _____ Insp. _____ Abd. _____

Temperature _____ Pulse _____ Character of _____ Blood Pressure _____

Any evidence of anaemia, malnutrition or other impairments? _____

Any adverse family history? _____

Are you associated at home or elsewhere with any person suffering from tuberculosis, or any other contagious disease? _____

Any evidence of past or present disease after careful inquiry and physical examination.

A. Of Brain or Nervous System? _____

B. Of Heart or Lungs? _____

C. Of the Blood Vessels? _____

D. Of the stomach or any of the abdominal organs? _____

E. Of rheumatism or gout? _____

F. Of the skin, middle ear, eyes, throat, nose or any part of the body? _____

To what extent does the subject use alcohol? _____

To what extent does the subject use tobacco? _____

Any suggestion for the correction of faulty personal hygiene? _____

Any indications for medical treatment? _____

Urine—Spec. Grav. _____ Reaction _____ Albumen _____ Sugar _____

Microscopical _____

Date _____ 19____ M. D. _____

FIG. 6.—Application for Employment—Continued
Results of medical examination.

in his work. As a test of his ability to understand the ordinary arithmetical problems which might come up in insurance work, seven questions have been prepared as follows:

PROBLEMS

A man insured his life for \$5,000 for the benefit of his wife and children. For this he paid \$52.80 per \$1,000 of insurance. He had paid in his eleventh premium when he died. What amount in dollars had he paid the company in premiums?

A man insured for \$5,000 outlives the endowment term of his policy and at the end of the twentieth year receives \$5,000 therefor. This amount he leaves with the Society at $3\frac{1}{2}$ per cent per annum simple interest. How much will this investment yield him at the end of the twentieth year provided all interest is left on deposit?

A young man twenty-five years of age insured his life for his mother's benefit by a policy for \$2,000. He paid therefor \$64.00 annually and after the third payment he died. How much more did the mother receive in insurance than her son paid in premiums?

A woman takes out \$15,769 in life insurance. The premium therefor amounts to $3\frac{1}{2}$ per cent of the amount of insurance. What was the amount of the premium?

A young woman took out \$7,000 of insurance, the premium on which amounted to \$225.00. The company paid the agent 45 per cent first year commission on the premium. What was the net amount of premium received by the Company?

Three agents were interested in the commissions on a life-insurance premium amounting to \$250.00. One agent received $7\frac{1}{2}$ per cent of this sum on $\frac{1}{2}$, one $3\frac{3}{4}$ per cent on $\frac{1}{4}$, and the third $1\frac{7}{8}$ per cent on $\frac{1}{4}$. What amount in dollars and cents did each receive?

A man took a life-insurance policy at \$1,000 where premiums are paid for life and paid therefore \$25.00 annually. In how many years did the total of his premiums equal the face of the policy?

The employment department grades the work, giving each subject the importance that it demands, as shown on the third page of Figure 6.

In a similar way, the qualifications are covered for typists, stenographers, and dictating machine operators.

The form in regard to the physical examination of the employee is not filled out until after his employment

<u>OFFICE OF THE THIRD VICE-PRESIDENT</u>	
<p>Memorandum for _____</p> <p>On _____ we appointed and assigned to your department _____ as _____</p> <p>Will you kindly check below the information asked for in regard to him/her and return this memorandum to _____</p> <p style="text-align: right;">LEON O. FISHER</p> <p>_____</p> <p>Excellent _____ Good _____ Fair _____ Poor _____ Will be retained _____</p> <p>Dismissal will be asked for if no improvement shown _____</p> <p>Remarks _____</p> <p style="text-align: right;">Head of Department or Bureau.</p>	

FIG. 7.—Department Head Report at End of First Month on Quality of Work Done by New Employee

begins. When it is necessary to fill a position in the office, reference may be had to the applications on file, and those persons who stand highest in the tests that have been given are summoned for further consideration.

When an applicant has been employed to fill a position, he is turned over to the head of the department and is

<div style="display: flex; justify-content: space-around; margin-bottom: 5px;"> ○ ○ ○ ○ </div> <h2 style="margin: 0;">EMPLOYEE'S REVIEW BLANK</h2>			
NAME.....Class.....Position.....			
Department.....Division.....Section.....			
Date Appointment.....Date Birth.....			
Present Annual Salary \$.....Maximum for Position \$.....			
Date of last increase.....Times late absent during past twelve months.....			
DUTIES			
Supervises..... Analyzes..... Audits..... Approves..... Translates..... Investigates..... Inspects..... Checks..... Dictates..... Prepares..... Reviews..... Compares.....	<div style="border: 1px solid black; height: 150px; margin-bottom: 5px;"></div> <small>CHECK IN SQUARE AND GIVE BELOW DETAIL OF POSITION:</small>	"Seals"..... Assembles..... Tabulates..... Posts..... Typewrites..... Writes..... Indexes..... Files..... Operates..... Punches..... Draws.....	
WORK: Accuracy.....Appearance.....Amount Accomplished.....General Ability.....			
MENTALITY: Intelligence.....Memory.....Initiative.....Alertness..... Reliability.....Quickness to Learn.....Interest in Work.....Adaptability.....			
DEPORTMENT: Attention to Work.....Courteousness.....Personal Neatness.....			
<small>NOTE: RATE ABOVE AS FOLLOWS: 1 MEANING "ABOVE THE AVERAGE," 2 MEANING "AVERAGE" 3 MEANING "BELOW AVERAGE."</small>			
REMARKS: (Frank expression of opinion from head under whom clerk is working as to faults, bad habits, etc.)			
Recommend increase in above case to \$.....per annum.			
Recommend change of Class from.....to.....			
Recommend.....			
Approved.....			
<small>THIRD VICE-PRESIDENT (OVER)</small>		<small>HEAD OF BUREAU OR DEPARTMENT</small>	

FIG. 8.—Department Head Report Annually on Each Employee
From this record advances are made. A different colored sheet is used for each class.

given such instructions as may be necessary for carrying on his work. After he has been in the employ of the company for one month, a request is sent to the head of the department to which he has been assigned, Figure 8 asking for information in regard to him. This is to prevent any person's continuing with the company unless he

<u>ACTION OF SALARY AND RETIREMENT COMMITTEE</u>	
Meeting.....
Approve increase to.....	\$.....per annum
Date increase effective.....
Change class from.....	to.....
Date change of class effective.....
Reason for disapproving increase.....
Remarks:.....
..... CLERK TO COMMITTEE	

FIG. 9.—Action Taken by Salary Committee
Reverse of Figure 8.

is satisfactory and to see if some way can be devised, in case he does not seem to fit that particular place, to put him in a position which he may be able to fill efficiently.

INDIVIDUAL EFFICIENCY RECORDS

In order that there may be an accurate record kept of employees so that advancements in salary may be based

on their work, each department head turns over to the employment bureau each year a report showing the character of the work done by every employee, an estimate of the mental capacity of the employee, and showing an account of his department. These are rated "1," meaning above the average; "2," meaning average; and "3," meaning below the average. It is on these reports that

NAME _____			
Date Appointed _____	Original Position _____	Present Position _____	Class _____
DEPARTMENT OR BUREAU _____		DIVISION _____	SECTION _____
Date of Birth _____	Amount Bond _____		
Dismissed _____	Resigned _____	Salary paid to _____	
Died _____	Retired _____	Amount retired at _____	Per annum _____
Reasons for Dismissal or Resignation _____			

FIG. 10.—Complete Record Covering Entire Term of Employment

advances are made in salaries or that employees are promoted from one class to another, Figures 8 and 9.

The complete record of each employee is kept on Figure 10, the reverse side of which (Figure 11) shows the various advances that have been made in salary or from one department to another.

JOB ANALYSIS

These employee records serve another very useful purpose, the importance of which has already been indicated

of all physical requirements of the work, education, special training, speed, accuracy, age, temperament, tact, degree of executive ability, sex, and a number of other obvious requirements. Least of all does the employer know beforehand what the psychological and other inanimate forces are which enter into the requirements of a position.

The keeping of accurate employee records will facilitate this job analysis work by showing what sort of individuals are making a success or failure in a given position, and thus at least preserve a firm's experience upon the question. At the same time these records furnish a list of employees with known accomplishments and characteristics. This latter information obviously is of great importance in filling special positions, in providing for transfers, and in making promotions.

If the various positions in an office are competently graded, both as to the work and as to the correct remuneration for each position, if the qualities that are required for each position are well set forth, and if the natural course which any person takes in advancing through the office is outlined, careful selection of employees, careful training for their position, and personal supervision to keep them in the proper spirit of their work will produce an office force competent to meet the most exacting demands of high-grade, effective, intensive business.

TEST QUESTIONS

1. Upon whom should the blame for misfit employees in an office be placed?
2. What are the important points in the statement of the Pennsylvania Railroad Company's position in relation to its employees?

3. What are the chief arguments for the establishment of a definite employment bureau?
4. What are the functions of an employment department, as outlined by Katherine M. H. Blackford?
5. Explain how the employment bureau standardizes jobs in the office before a person is employed to fill a new position.
6. Outline the important steps in the employment procedure.
7. What sort of tests may be undertaken for determining the fitness of an applicant?
8. What is the purpose of individual efficiency records?
9. What sort of information should be recovered on these individual efficiency records?
10. How is this information obtained?

CHAPTER IV

OFFICE TRAINING

There are two dominating elements in business efficiency: definite and thorough knowledge of the best way of doing any class of work, and instructors properly trained to teach the workers how to use that knowledge most effectively.

If the receiving of workers into our offices without sufficient foresight is one cause for unsatisfactory conditions, as serious a complaint is the lack of proper instruction to employees after they have been put to work to enable them to accomplish the most with the least effort and to get the same high-grade efficiency in scientific production that we demand of the machines in our factories. We get the best results when we select only those persons for our work who give evidence of becoming proficient in the tasks for which they are engaged, when we train those applicants for the necessary period in the details of the departments to which they are to be assigned, when we hold classes continually for older employees to review their work, and when we explain any changes that may occur and encourage improvements in procedure which they and others may suggest.

GERMS OF THE IDEA

The beginning of training for employees had its origin in the sales department. The old idea used to be to send

the salesman out with a catalog under his arm and with a meagre knowledge of the article he expected to sell and to trust to luck and his personality that he might get his share of the business.

The National Cash Register Company instituted years ago a training school for their salesmen. Their men were taught everything about their machines, their application to different classes of business, and the best methods of presenting the subjects as gathered from the experience of their most successful men. For the first five years their policy was to take on new men who had been successful in some other business, put them into their school, give them the necessary instruction, and then dispatch them into the field. In spite of the splendid course of instruction which they had worked up the record showed at the end of five years that only a little more than 25 per cent of the men had made good. That is, only one quarter of those who had been hired according to this plan were retained. Then, by a slight modification in their method, 78 per cent of those employed became successful salesmen. In other words, as a consequence of the change, three-quarters of the men whom they now accept remain with them.

TRIAL BEFORE EDUCATION

A very simple yet practical thing worked this change. It was that men were put into the field and tried out before they were allowed to enter the school. In this way they ascertained which of the applicants did not possess adaptability for their business and chose to leave voluntarily before going into the school, and which of the men they did not care for and might desire to dismiss before the expense of their education was incurred.

In general, in schools connected with industrial organ

izations the latter plan with certain modifications has been found successful. It is impossible to determine by any known rules of employment whether a candidate will be satisfied with the work which he is asked to do before he gives it a trial; nor can the employer determine previously whether the applicant is suited for the position. There must consequently be a trial period of employment, during which the qualifications of the applicant are made manifest in order to determine his ability to fill the position. By such procedure clerical work in an institution may be increased in its effectiveness from 25 to 50 per cent.

STANDARDIZED BEST WAYS

The average office is inefficiently run because it does not have its various operations standardized, because it does not have the rules for each operation definitely defined, and because it does not furnish the proper system of instruction for accomplishing this work. In a certain mailing department, by making a change from stenographers' desks to special tables, a 20 per cent gain was made in floor space, and saving in floor space means saving of time in office travel. By the introduction of a bonus system there was an increased production of 44 per cent in a certain typewriting department. A simple rearrangement of typewriting in another office shortened the time in handling invoices 21 per cent. The proper instruction given to ten girls by well-laid-out rules as to how a card index should be handled when addressing from cards, increased the efficiency 29 per cent.

In an office that employs seventy-five clerks or more, it should be some person's duty to be busy at nothing else but trying to find shorter, better, and quicker ways to do the work, planning methods for teaching new em-

ployees and keeping the older ones up to the highest point of efficiency, and calling on other concerns to study new methods and new ideas.

The ordinary clerk is overworked; there are no standardized instructions; consequently the new comers to find out how he shall go about the performance of his duties, is left to the hit or miss instruction of any convenient employee. It is not an uncommon thing in a large office to find as many methods for doing a certain class of work as there are employees in the department. How can there be so many correct ways of doing a particular kind of work? Undoubtedly there is one way which is the shortest and most efficient. Hence, the unknown quantity in the equation is the finding out of that way. However, it should be sought until found, then that method should be taught to all, and there should be no leniency shown in the insistence of its use.

INSTRUCTION IN STANDARD METHODS

Again, when standardized methods are established and rules are given for employees to follow, every worker should be convinced that the way that is offered is the best. When a plan ceases to be the best plan, it should be abandoned, and this changing process smacks of the everlasting for it must go on forever. It is for this reason that instruction does not cease and that older employees are constantly called upon to review the work in order that any of their suggestions for improvements may be incorporated.

In the office of the Curtis Publishing Company, which employs over one thousand persons, tests are made before the applicant is admitted to the school. If the results are acceptable, the candidate is put under the observation of teachers, and if he shows possibilities, he

goes into the regular school to be given instruction in the manual covering that part of the work which he is to undertake.

The Curtis school has been in operation about five years, and many definite results have been obtained which are interesting to every office. Before the installation of their present plan, the output of a phonograph operator was 1,200 square inches of typewritten matter in one week on the average, and the weekly wages of a girl doing this work was \$9.00; in other words, the company was paying about \$7.50 per thousand square inches.

After a scientific study had been made of this operation, a standard day's work was established. All the operators were paid on a basis proportionate to the work done, and all were trained in the correct and most rapid method of its accomplishment. The result showed that the output of the operators was increased from 1,200 to 4,200 square inches per week, and the average income of each girl was increased from \$9.00 to \$11.00 per week. This meant that the increase in salaries was 22 per cent, while the cost of the work was decreased from about \$7.50 to \$2.50 per thousand square inches. It is a demonstration of the proper selection of employees, proper training, and a satisfactory method of wage determination, effecting an increase in efficiency of 200 per cent.

APPLICATION TO STENOGRAPHIC WORK

As an example of improved methods along this line it is also possible to increase the output of the stenographic department. In the first place, the work may be put on a piecework and bonus basis. The operators are instructed in their work in order that they may attain the highest standard of efficiency, and at the same time they are relieved of any unnecessary details which may con-

sume their time and are thus left free to do only the actual work. Where such a system has been installed, a saving of 20 per cent has been accomplished in the department, and at the same time the average salary of the workers has been increased 20 per cent. The first step in accomplishing this result, in the case in mind was to organize a general stenographic department, in charge of a competent head stenographer with two assistants. This naturally eliminated all private stenographers with the exception of a few secretaries. In the department there were both stenographers and phonograph operators: Under the plan followed, the head of the department kept the time of the operators and assigned each her work as requests came for a stenographer. One of the assistants was in charge of the phonograph division, and the other had charge of the measuring of all the work done and looked over all the correspondence, thus making it unnecessary for it to be returned for correction to the person who had dictated it, as well as saving the time of the higher salaried employees who had done the dictating.

The one objection to the above-mentioned plan is that certain stenographers become familiar with the work of certain dictators, and this makes the giving and taking of dictation easier; but in all cases where a central system has been established, a higher grade of employee has been the result, or there has followed a classification of employees so that each grade of work could be done by persons exactly fitted for it. Ordinarily, when a person wishes to give dictation, he calls the department, and unless he has a preference, the stenographer first on the list answers the call. The department head usually becomes familiar with his requirements and knows which of two or three operators will be satisfactory to him.

After the notes have been transcribed, the operator turns the finished work over to one of the assistants in charge, who measures the number of lines written and enters this on the daily record of the operator.

Where dictating machines are used, the typists are in a separate class. The cylinders for transcription are collected at regular intervals and placed in a convenient position for those who are to transcribe them. The operators are thus continually supplied with work. The work of each operator is kept by the assistant, and her daily record is credited with the exact amount that she has done.

GENERAL OFFICE USE OF STANDARDS

A like classification of work may be made in each department of the office, the operations may be standardized, unnecessary operations may be eliminated, the employees may be instructed as to the quickest way to accomplish their work, and the exact measure of what each one does can be taken.

The Larkin Company, which employs about one thousand persons in its offices, covers in the work of its school and in the manual which it issues to its employees, instructions in regard to the making and keeping of sales records and the writing of letters and the handling of all correspondence in regard to sales. This includes the following:

The use of the office manual; mastering official abbreviations; knowledge of the physical arrangements; in and out mail routine; readjustment of orders; recording and billing; handling order files; routine for refunds and reimbursements; unidentified remittances, due bills and rewards; handling of requests concerning orders, and orders for stock that is short; credits and collections; sales bookkeeping; advertising routine in the sales department;

order correspondence, including the holding of orders for credit approval and for information from customers; the reading of mail and the preparing of it for answer; answering damage complaints, shortage complaints, and non-deliveries; and the handling of correspondence files and other files in the office.

All these items in their office routine are standardized and definite instructions are given as to how each should be carried out. How much more efficient is this than the hit or miss method so generally seen, in which each employee, no matter what his previous experience may have been, does a thing as he thinks best. It is just as easy to make the ordinary employee doing clerical work as proficient in one month as he becomes in a year in the old-fashioned way; and how much more satisfactory to the employee to know that he is doing every operation with the least effort in the shortest time and thereby getting the greatest good out of his work for his employer. In other words, he is the well-equipped machine operated to its highest capacity with the known standardized output of such machine, and paid a fair rate for production.

POSSIBILITIES IN SMALLER OFFICES

In the smaller offices where it is not possible on account of the expense and the time which are involved to carry out as thorough a plan as the foregoing, a certain amount of work along definite and systematic lines will meet with success. It has been found advantageous even in small offices to standardize every operation; to have written out the complete details covering each part of the work; and to have those who are engaged in the work trained in their duties by others above them. This definite method of procedure eliminates the uncertainty caused by absences and provides for promotion, because it is pos-

sible to determine exactly the requirements of any position and to make almost any person who has been deemed worthy of selection sufficiently proficient to carry on the work.

KINDS OF EDUCATIONAL AID

In connection with the company's course of instruction, some employers go even further and encourage their workers to do work along advanced lines, taking advantage of lecture courses given in the larger cities, or of courses in correspondence schools. The employees are in this way enabled not only to do their present work more satisfactorily, but they are pointing themselves continually towards the positions higher up.

In many commercial institutions the educational work has already advanced beyond the point of simply giving instruction along the lines of the work for which the employee has been engaged. Those who have advanced farthest have come to realize that ultimate success depends upon the advancement and the improvement of the workers. Too many come into the office poorly equipped because of the necessity for leaving school too early; and others because their education even up to the point they have reached has not been correct. The ideal education is the one that continues after school has been left behind. To quote the United Shoe Machinery Company:

The educational institution of the future will be a combination of the present-day industrial plant and the present-day's school, with improvements on both. The school that doesn't fit its pupils to earn a living is a failure. The youngsters at Beverly who wish to become mechanics and inventors have an optimistic future. At present two groups, each containing thirty-five boys, alternate between the factory and Beverly High School, one week

at a time in each place. In school they are given the regular school training plus a knowledge of the principles of mechanics which is used in the week of shop work. These boys are paid one-half the price paid to men performing the same work, the other half going toward the expenses of the school.

The school of the National Cloak & Suit Company is conducted for: (1) New employees who are in school to learn the work for which they have been engaged, (2) old employees who attend to perfect their knowledge of their work, and (3) old employees who attend to learn a new subject, getting ready for promotion.

The purpose of the school is:

To instruct new employees.

To help employees to a better knowledge of their own work.

To give them, if they are ambitious, an opportunity to learn more advanced work leading to better paying positions.

To give them a review or training in such subjects as arithmetic, penmanship, etc.

To enable any of them who are doing work not to their liking to learn more congenial work.

METHODS OF INSTRUCTION

The material for this instruction is contained in textbooks compiled by the teaching staff. These texts are printed loose-leaf manuals, covering in detail the work of each department taught in the school.

The instruction proceeds from the theoretical gradually into the practical; thus by the time a student has completed a course she has been doing the actual work of a department and may at once fill a position.

All courses are standardized on a basis of one hour a day and vary in length from a week to three months (60 hours).

The classes are held entirely during business hours

and on the company's time; in other words, employees are paid to attend school.

The teaching staff includes twelve teachers and a principal. Department heads also give talks on special topics.

A permanent record card for each student kept on file shows the house position of the student, standings in various classes, and other details.

Thirty students from the Bushwick and Newtown high schools work alternate weeks at the "National."

Instruction was given in the following subjects during the year 1915:

GENERAL OFFICE CLASSES

Teller Work.	Mail Examining.
Filing.	Combination Adjusting.
Order Writing.	Correspondence.
Order Examining.	Head Clerk's Work.
Order Advising.	Head Order Clerk's Work.
Mail Reading.	Adjusting for Head Adjusters.
Returned Goods Adjusting.	Adjusting for Division Heads
Complaints and General Mer-	and Assistants.
chandising Adjusting.	

DEPARTMENTAL CLASSES

Dept. 145. Merchandise Exam-	Listing, Tagging, and Exam-
ining.	ing.
Dept. 152. Back Order.	B/O Writing, Filing, Answer-
	ing Inquiries.
Dept. 153. Traffic.	
Dept. 157. Efficiency.	
Dept. 169. Duplicating.	Duplicating, Routing, Zoning,
	and Order Examining.
Dept. 160. Merchandise.	Merchandise Sheets, Dept. 160
	Work.

Dept. 161. Assembly.	Sheets and Dept. 161 Instruction.
Dept. 162. Shipping.	Sheets, C. O. D. Shipments Dept. 163. Adjusting, Label Writing Dept. 162. Efficiency.
Dept. 163. Returned Goods.	Package Opening, Merchandise Examining.
Dept. 167. Sales Checking.	Ledger Work, Sales Checking Order Advising.
Dept. 168. Sheet Analyzing.	Sheet Analyzing.
Dept. 170. Cashier.	
Dept. 171. Mail Entry.	
Dept. 172. Credit and Refund.	
Dept. 176. Stencil.	Proofreading and Filing.

GENERAL CLASSES

Arithmetic.	Geography.
Grammar.	Spelling.
Penmanship.	Composition.
Hygiene.	Rapid Calculation.
Spanish.	Typing.

Illustrated lectures on the activities of the various departments of the house are given throughout the year, and all employees attend at least one of these. The lecture is followed by a house trip in which these operations are explained by a teacher in charge.

Every institution cannot follow the exact model or scope of the training and education outlined in this chapter, but possibilities for greater efficiency through office training and schooling, standard written practice manuals, house rules, etc., probably exist in most office organizations. A judicious offering of encouragement and facilities for systematic personal development is a profitable and far-sighted policy in office administration.

TEST QUESTIONS

1. What are the two basic elements that must underlie successful office training?
2. Where did the germs of the office-training idea originate?
3. What is the purpose and the importance of trial before education?
4. What are some of the actual results which have been attained in office work as the result of standardization and training?
5. How many office employees as a minimum will warrant the full time duties of one person as instructor and efficiency expert?
6. What are some of the results of instruction in standard methods obtained at the Curtis Publishing Company?
7. Discuss the application of piecework and bonus systems to stenographic work.
8. How does standardization apply to the general office work?
9. How are these efficiency principles and standards applied in smaller offices?
10. Outline the educational system of the National Cloak and Suit Company.
11. What are their methods of instruction?

CHAPTER V

RULES AND REGULATIONS

Not long ago the manager of a large organization when questioned in regard to the rules of his office said he had never known the necessity for having the rules written.

When asked how the employees knew what the rules were, he said the department heads were supposed to inform the employees.

When asked whether there were very many rules governing the office force, he said not many. Perhaps had he been asked what they were, he could not have told.

How can one expect his employees to know what he wants done unless they are given the information in a definite manner? It is an inept principle to let employees learn to do their work the wrong way, because it is so difficult to unlearn.

In many organizations oral instructions are given about the most important things. This permits of misunderstandings and consequent dissatisfaction and disputes. There is always one safe, sure way to do anything. It is essential in all offices that whatever rules are put in force should be uniformly carried out by the entire staff. The only way to avoid error, disputes, and friction is to have all rules and regulations carefully written and thoroughly understood by every person connected with the company.

STANDARD PRACTICE MANUALS

Just as in the best-operated factories there are issued Standard Practice Books, which explain in detail the rules of the organization and state clearly how everything should be done, so in every office there should be issued a similar book covering the rules of the institution.

The purpose of such a book is to describe in detail every duty and every operation required in the conduct of the business. It furnishes every worker with specific information as to his authority, the work he has to do, how to do the work, and his relations to other persons in the department and the organization as a whole.

It is preferable to have such a book issued in loose-leaf form so that when any changes are made and any additions are required, they may be easily substituted and inserted in the book in the proper positions.

Each subject or item should begin on a new page in order that revisions in the rules of one section may be made without disturbing the pages and typing of other sections.

Great care should be exercised in planning the organization and the method of presenting the information in such a book. A well-planned topical table of contents greatly facilitates the use of such information. The manual should be divided into two general sections, as follows:

Section I. General information applying to all departments alike.

Section II. Specific rules as to the routine of each department.

All departmental heads should be required to be thoroughly conversant with the contents of this book, and

employees should be instructed to go over the book constantly in order that there may be the desired uniformity in procedure and work.

GENERAL SECTION OF THE RULES BOOK

The rules book should give first the code of principles which the company has adopted for its policy, and it should also contain enough of the history of the business and of its aims to enable the employees to enter somewhat into the spirit of the institution. Then there should follow an explanation of the departments in the organization, and it is desirable to accompany this explanation with a chart of organization showing graphically the relative positions of the different departments. There should be a description of the goods that are manufactured and the purposes to which they can be applied, in order that every employee may be in a position to boost the work that is going on. It is well to follow on with a list of the publications that are issued and the advertising that is done. Also, there should be a statement of what is expected of the employee so far as coöperation, loyalty, and efficiency are concerned, and of the attitude of the firm in regard to suggestions that may be made, the advancement of employees, and the general building-up of the organization.

The specific rules governing the entire organization concerning matters of discipline should be stated; also the hours of work, the rules in regard to punctuality and attendance, courtesy and politeness, the receiving of visitors and customers, the use of the telephone, and the care of equipment and supplies. There should likewise be the necessary suggestions in regard to the order, the system, and the cleanliness of the building and the work of the different departments. The specific topics may be summarized:

Office hours.	Making appointments with superiors.
Timekeeping.	General rules on correspondence.
Tardiness.	Special-delivery letters.
Absence.	Registered letters.
Overtime.	Telegrams.
Pay day.	Messenger service.
Change of address.	Interdepartmental memoranda.
Vacations.	Requisitions for supplies.
Leave of absence.	Requests for special services.
Legal holidays.	Use of RUSH stickers.
Hiring employees.	Handling orders.
Raising salaries.	Where to go for information.
Dismissing employees.	Fire rules.
Resignations.	Locker privileges.
Office etiquette and deportment.	Bulletin boards.
Care of fixtures.	Visitors.
Use of the telephone.	
Sickness.	

To take care of the current charges in an organization and, at the same time, keep the copy permanent in so far as reference to the specific duties of employees is concerned, the departments and employees should be keyed by means of symbols. In the *Standard Practice Manual* of LaSalle Extension University each department is identified by a key letter. "B," for example, is the key letter for the Law Instruction Department. The staff members in the department are identified by the key index as follows:

B.....	R. C. Samsel
B1.....	G. Thomas Judy
B2.....	Florence M. O'Brien
B3.....	Ross D. Netherton
B4.....	William S. Rea
Etc.	

DEPARTMENTAL SECTIONS

There should be incorporated in the books of each department the specific rules which may apply to it, such as the rules in regard to filing for the filing department, the handling of mail for the mailing department, and the handling of correspondence for the stenographic department. These departmental sections should also show the organization and functions of the separate departments. The data for these departmental sections should be supplied in the first instance by the departmental head in each case. He is best able to describe all the detailed operations of his department. The general manager or office manager may then confer with the department manager, analyzing, comparing, and reshaping the material thus submitted.

A copy of the general section and the departmental subsection is then supplied to each department. The chief executive officers should be provided with complete copies of the entire manual.

VALUE OF SUCH MANUALS

Primarily, these manuals are prepared to furnish every worker with specific information as to his duties, the exact manner of doing the work, and his relation to the organization as a whole. It minimizes the need for verbal explanations, which are likely to prove incomplete and unsatisfactory. A new employee can master the details of his work more easily by means of such a manual than he could if he had to depend on verbal instructions alone, many of which in an unfamiliar position are soon forgotten.

The general effect upon the efficiency of the organization is a vital factor. The preparation of a good

standard practice manual necessitates clear and exact demarkation of departmental authority and individual responsibility. Many little kinks in the organization, inefficient methods of operation, and utter lack of uniformity in the same general classes of work are likely to be brought to light. Thus, the preparation of such a manual is likely to result in greater standardization, better coördination, and higher efficiency throughout the establishment.

TYPICAL RULE BOOKS

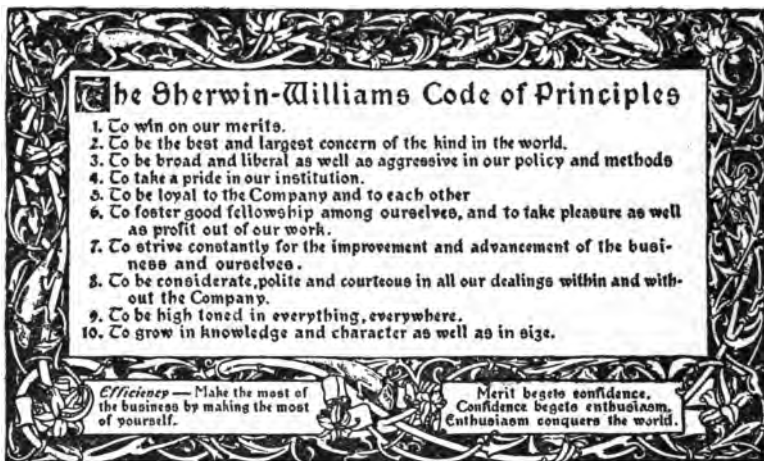
The complete book of rules issued by the Sherwin-Williams Company, and *The Equitable Employee* of the Equitable Life Insurance Society, are given at the close of this chapter. These rule books embody in concrete form some of the principles which we have just considered and may well serve as a guide in the preparation of a standard practice manual for other concerns.

TEST QUESTIONS

1. What is the safest and surest way of getting rules and regulations understood by every person in the office?
2. What is the chief purpose of standard practice manuals?
3. What are some of the essential points to be considered in the organization of a rules book?
4. What are some of the most important specific topics to be treated in a rules book?
5. How is general and departmental information treated in a rules book?
6. In what respect is a rules book an aid to efficient management?

A HANDBOOK OF INSTRUCTIONS

Compiled for the Use of the Inside Staff of The Sherwin-Williams Co.



CHAPTER I.—THE COMPANY

BEGUN

The Sherwin-Williams Company was founded in 1866, when Mr. H. A. Sherwood opened a small retail paint store. From this small beginning the Company has grown to its present size and importance. The continuous, sound and rapid growth of this Company has been due to our policy of maintaining high quality in our product and sound business methods as formulated in the "Code of Principles" on the preceding page.

OUR AIMS

It is our aim to continue to grow and to maintain our position as leaders in the Paint and Varnish industry by improving our goods, our organization and our methods. The coöperation of our entire staff is needed to attain this aim.

THE ORGANIZATION

Our organization is designed to operate the business with the greatest degree of efficiency and harmony. To this end different departments have been created and managers appointed, whose duty it is to take care of all

matters connected with the business from the buying of the raw material to the marketing of the product. All departments must coöperate the one with the other, and yet the duties of each are definitely defined.

These departments and their duties are as follows:

DUTIES OF DEPARTMENTS

Executive Department—In charge of the business of the Company as a whole, laying out the policy to be pursued and receiving reports from all other departments.

Directly subject to the Executive Department are the following General Departments—

Treasurer's Department—Controlling the Company's finances, collections, insurance, stock records, etc.

General Accounting Department—Responsible for the systems, methods and accounting, for payments for all purchases, the general auditing, and business statistics.

Purchasing Department—Buying the raw material and supplies needed in the business.

Service Department—Acting in an advisory capacity on all matters connected with the general welfare of the staff and operating the welfare features.

Printing and Sampling Department—Producing the advertising matter, color cards, magazines, stationery and printed matter used by the other departments.

Railroad and Marine Sales Department—Having charge of all sales to transportation companies and makers of railroad equipment. While strictly a section of the Department of Sales and Distribution, it reports direct to the President, owing to the importance of its field.

The big operating departments are—

Department of Sales and Distribution—In entire charge of selling and distributing the Company's product and controlling the District, Division, and Depot organization, the general or specialty sales departments as the Varnish, Manufacturers and Dry Color and Insecticide Departments, the Advertising and Decorative Departments, and the Traffic Department.

The Manufacturing Department—Producing the paints, varnishes, japans and Dry Colors which we sell. Includes also the Tin Can Department, making the tin packages used, and the Laboratory, Research and Mechanical Departments which our extensive manufacturing makes necessary.

The Auxiliaries Department—A department organized to produce materials for use in our factories. This department operates Mines and Smelters, White Lead Works, a Box Factory, Linseed Oil Mill, etc., and is also in charge of new construction and large repair work through the Engineering Construction Department.

THE GOODS

The Sherwin-Williams Co. makes finishing materials for all uses. The goods are right, made the best we know how, and new lines are constantly being added. To all our employees we give this advice—First, Learn to know the products of the Company and the uses to which they are put, and second, Boost these products at every opportunity. The list of our goods is too extensive to be included here, but you can get from the Advertising or Promoting Departments information about them at any time.

OUR PUBLICATIONS

In order to keep in close touch with our constantly increasing staff and the trade generally, we issue several monthly publications. The Employees' Magazine is called *The Chameleon*, and it is issued free of charge to our staff. In it will be found helpful talks on our products, cheering words from our President and Department Managers, reports showing the progress of the contestants in the Top-Notcher competition, notes of the Benefit Society, and much other interesting and valuable information. Its columns are open to contributions from all employees. The other magazines published by this Company are: *The SWP* for Agents, *The Spectrum* for Architects, *The Colorist* for Painters, and *The Home Decorator* for the Public generally.

CHAPTER II.—THE EMPLOYEE

WHAT IS EXPECTED OF YOU

It is our desire to add to our staff only those who will assist in maintaining the high standing of this organization. As you are now a member of our staff we rely upon you to do this, by following the suggestions given herein.

In another section of this book you will find for your guidance some general rules and instructions. The progress you make is very much dependent upon your knowledge of these and your compliance with them. Most mistakes are due to lack of knowledge rather than intentional disobedience, and it is therefore particularly important that you *know* what rules and instructions you are expected to comply with. By obedience to instructions your inaccuracies will be decreased, your chances for advancement multiplied, your personal attitude toward your work entirely changed, and what may hitherto have been a burden will become more of a pleasure.

COÖPERATION

Do your best to help those working with you—if they ask questions, answer them to the best of your ability. If bulletins are issued by the

management—even though you may not be in accord with them, do your utmost to accomplish what is asked of you, so that when you in turn shall have a request to make or a favor to ask, cheerful and prompt acquiescence may be accorded you.

LOYALTY

No employee should be connected with any business institution if he lacks confidence either in the stability or legitimacy of the business or in the attitude of the management toward its people. Have faith in the Company that pays your salary, and whose success makes your progress possible. Give them your whole-hearted service—be a “Booster”—it is good for you as well as the Company. Do not permit yourself or those around you to belittle the efforts this organization is making for individual and corporate advancement.

EFFICIENCY

It is expected of every employee, no matter what his work, that he be efficient. This means that he will do his utmost with the work allotted to him, not only to accomplish it as well as others before him, but to study and strive to do it better. There is a business and moral obligation upon every employee to accomplish that work for which he receives salary or wages, so that it can be done no better, and unless each employee is doing that for which he is best fitted and in the best possible way, true efficiency is not attained. We want each individual employee to study himself that he may know if he is attaining the full measure of individual efficiency of which he is capable. We commend to every individual a careful study of the little book called “Business Success,” written by our President, Mr. Walter H. Cottingham. This book you may obtain free on application to your Manager.

SUGGESTIONS

All of you who read this book come in close personal contact with some portion of the detail work connected with the operation of this business. No matter how carefully this detail may have been planned there is always room for improvement. It is, therefore, probable that your close daily contact with your work may suggest to you some method by which the work may be improved, or some way in which the business may be increased. We want it distinctly understood that all such suggestions will be welcomed and fully appreciated as an evidence of your interest in the work, and may lead to your more rapid advancement. Make these suggestions to the head of your department, or send them, if you wish, to the Manager of the Service Department at Cleveland.

PROMOTIONS

It is an axiom that "There is always room at the top," and this is particularly true of a progressive, expanding business such as our own. "Merit will win" and we firmly desire that every individual shall occupy a position fully equal to his capabilities and shall receive a salary to accord with the most careful measure of his service. There must always be some that occupy higher positions than others due to training, education or physical and mental attributes, but be assured we are just as ready to promote our employees as they are to be promoted. Every employee is at liberty to call attention to his work, remuneration, or desire and ability to perform a higher grade of work and occupy a better position, so therefore do not hesitate at any time to talk with your Manager about these matters.

CHAPTER III.—GENERAL RULES

The aim of these rules is to conduct this institution in the most harmonious manner; to give to our employees the benefit of long experience; to save them retracing unguided steps; to enable them to grow in the knowledge of sound business principles and become a credit to themselves and the Company.

The important part of any rule is the *spirit* of it. This is gained by understanding the wisdom and necessity of the rule, and not by mere obedience because it is a rule. No rule seems irksome when you realize it is worked out from experience and made necessary by existing conditions. The object of a rule is not to abridge the rights of anyone, but to point out the path which experience has taught is the wise one to follow.

Keep close to the rules; follow out the spirit as well as the letter of their advice, and you will find yourself on the right road to satisfactory and praiseworthy service.

COURTESY AND POLITENESS

Be courteous and polite in all your dealing with others. It is a duty you owe them, and if you are unwilling to fulfill that duty, your advance will be extremely difficult. In business we *must* mix with our fellows, and as we exchange with them our commodities or services, we owe them consideration, that is—courtesy. This is a most important rule and one to be followed in every branch of the service at all times. Young men especially should be courteous, polite and considerate to the young ladies in the organization.

RECEIVING VISITORS AND CUSTOMERS

First impressions, we are told, last the longest. Let us see to it then that the first impressions received by our visitors are worthy of lasting the

longest. Give every caller prompt and courteous attention, regardless of dress or appearance, as you cannot be the judge as to the standing, purchasing power or influence of any visitor—and the fact that visitors spend time in coming to us demands in return that we give of our time to satisfy their needs and answer their inquiries. Never let anyone stand waiting attention. Provide a seat or seats and make sure that the one inquired for is duly informed. Then, too, be extremely careful of your conduct in the presence of visitors—avoid loud talking or laughing and keep busy—let them take away with them a high opinion of the Company itself and the employees in its service.

USE OF THE TELEPHONE

Our telephone service is one of the main points of contact between us and our customers or those with whom we do business. The way in which you answer incoming calls or call others may be either a great help or a great hindrance to our business, so do your part well that this Company may obtain the reputation for efficient telephone service it desires. Be quick, accommodating and polite, but avoid being impatient or abrupt. Remember there are always three parties to every call: the one calling, the operator, and the one answering, and all must co-operate. When you are called, answer promptly, but do not remove the receiver from the hook until the bell has ceased ringing. Speak distinctly into the transmitter, not at it, and in your natural voice, with your mouth about an inch from the mouthpiece. If on a direct line answer with the name of the Company—saying simply, "The Sherwin-Williams Company"—do not say "hello"—it's a waste of time. If your line connects with the Company's branch exchange answer with the name of your Department or office, as "City Sales Department," "Accounting Department," "Mr. Blank's Office," etc. If the party calling has been connected with the wrong department, or if through inability to answer his inquiries you must switch him to another 'phone, make absolutely sure first that you really know whom or what he wants, then ask him to hold the line while you call the operator by moving the hook up and down slowly (a quick motion is useless) and tell her what transfer to make. Be especially careful to avoid switching anyone to several different 'phones, it is extremely annoying to the one calling, and indicates a lack of courtesy and attention on the part of the Company.

When you call others the same directions on speaking must be followed. If on a branch exchange and you need an outside connection, ask for main line or main exchange—then give the number required to the exchange operator, spelling out the number, one figure at a time. For Main 1375, say, "Main one-three-seven-five." Always make sure of your number before calling—do not trust too much to memory.

For long distance calls you must ask the operator for "Long Distance" and when connected with the long distance operator give her your name and telephone number. All long distance calls must be reported to our own local operator, where a branch exchange is maintained, or to the Chief Clerk or some other person appointed by the Manager where there is no branch exchange. Report the name of the party called, duration of conversation and the department that is to be charged with the toll.

The office telephones must not be used indiscriminately for private conversation, as they are part of our business equipment and are intended for business purposes. If it is absolutely necessary that you use the telephone, your Manager may give you permission to do so before 9 A. M. and after 4 P. M., or between 11:30 A. M. and 1:30 P. M. The telephone operators have instructions not to make connection for private incoming or outgoing calls except during the hours here stated.

PUNCTUALITY AND ATTENDANCE

Certain specific rules must of necessity be laid down covering the times of arrival, lunch hour, and leaving. These times vary with conditions at different points, and you will be duly advised of the regulations, as under no circumstances will chronic tardiness be permitted—it is inexcusable and unfair to your fellow-workers. Those who desire to be absent must first secure permission from their Manager. This is necessary in order to protect the organization, as the work depends upon employees being at their posts of duty regularly, and if absent the work must be provided for. In cases of unavoidable absence not excused in advance, telephone or in some way advise your Manager by nine o'clock in the morning, that he may know the reason for your absence and will be able to prevent disturbance of the department routine.

It is expected that at all times either the Manager or his chief assistant should be in the department during business hours, and when either is absent, word must be left as to where he may be found in case of necessity.

USE OF TIME

Make the most of your time both in and out of the office. Time spent wisely produces dividends throughout a lifetime, while time wasted is a continual handicap that can never be overcome. Start right by beginning your work promptly in the morning—don't waste time in idle talk in the wash-rooms or at your desk—do your work right at first so that you will not have to handle it a second time—in short, plan both work and recreation to get the most out of your most precious possession—time.

ORDER AND SYSTEM

Order and System means the logical arrangement of transactions, records and machinery for the purpose of obtaining the maximum of accom-

plishment with the least expenditure of time and labor. It is impossible to operate a modern business without system. The duties of employees must be carefully mapped out, the details of all transactions accurately recorded, and the office and factory machinery so adjusted as to avoid waste and useless rehandling. Therefore be orderly and systematic in everything and help in the working of the Company's system that you may not scatter your energies in useless effort.

CLEANLINESS ABOUT THE BUILDING

Help keep the building clean. Don't throw paper on the floor. Don't mark up the walls or stairways—see that the janitor keeps your wastebasket cleaned out and the floor well swept. If you find anything not as it should be report it to the Office Superintendent or your Manager.

CARE OF TOILET, LOCKER, AND REST ROOMS

It is just as important to keep Toilet, Locker and Rest Rooms clean and tidy as to keep the offices that way. Do your part in using them for the purpose provided, and keep them free from rubbish, newspapers, scribbling or other defacement. Under no circumstances should Toilet or Locker-Rooms be used as lunch rooms. This is positively forbidden as being untidy, unsanitary and detrimental to your health.

CARE OF EQUIPMENT

We go to considerable expense to provide our staff with satisfactory and high-grade equipment: desks, chairs, files, typewriters, graphophones, etc., and this represents a very large investment. It is of the utmost importance, therefore, that the best possible care be given this equipment with which you work. A graphophone, for instance, is a delicate and expensive instrument and must be accorded decent and careful treatment. Typewriters must be kept clean—probably half the troubles typewriters are heir to are entirely due to the neglect and carelessness of the operators in charge of them. Clean them every day before you start work and oil them regularly.

CARE IN USING SUPPLIES

The possibilities of waste in an organization of this size are enormous, and we must rely to a great extent upon the individual for a careful and right use of stationery and supplies. Each little item may seem ridiculously small, but constant daily repetition of small leaks, multiplied a thousand times according to the number of employees, will reach a total value that is surprising. Everything you handle has a cash value, and the care you exercise will increase your effectiveness and accelerate your promotion. A

signed requisition must be made out for all supplies, such requisition to show the department to which the items are to be charged, and must bear also the approval of the Manager of that department.

CHANGE OF ADDRESS

Whenever you change your address immediate notice must be given to your Superintendent or Department Manager, that the Company's records may be kept up to date.

LOAN AGENTS

We wish to caution our employees against the borrowing of money from loan agents at exorbitant rates. This is a serious matter for the employees themselves and is likely to cause trouble to the Company through the filing of garnishees, assignments of wages, etc. While the majority of such cases are caused by extravagance or carelessness there may be times when the need of money is urgent and perfectly legitimate. When that is the case employees should communicate with their Department Manager or the Service Department.

EMPLOYEES' PERSONAL CHARGES

So many charges against employees have been coming through, as to seriously handicap the work of the Purchasing, Invoicing and Accounting Departments, especially at busy periods of the year. It has therefore been necessary to formulate definite rules on the subject.

a. All requisitions for personal items must be approved by the employee's Manager, and at Cleveland by the Service Department.

b. No requisitions will be approved that would cause the charges against any employee to be greater than the salary due.

c. Outside purchases will only be approved where the Purchasing Department can assure a saving to the employee.

d. The Company's products are sold to employees solely for their own use, and not for resale to others.

FIRE PROTECTION

This Company's factory, warehouse and office buildings are protected by the most efficient fire fighting apparatus it is possible to install—but the best apparatus is of no value in case of fire unless the employees know where it is, what it is, and how to use it. It is the duty of every one of you to make yourselves familiar with the fire extinguishers, fire hose, and emergency exits. Above all keep your desks, lockers and files clean and free from any accumulation of dust or rubbish.

The use or possession by employees of matches other than "Safety-Matches" while on the Company's premises is strictly prohibited.

VACATIONS

To those of our employees who are on the monthly pay-roll, and whose length of service is sufficient, we grant vacations with pay. The rule regarding length of service is: two weeks' vacation to those who have been with the Company at least one full year, and one week's vacation to those with at least six months' service. It is required that the record of each employee be good, as vacations may be forfeited for just cause. A vacation is given both as a reward for past work and as a preparation for the work to come. It should be a time of rest, recreation and reinvigoration, and healthful pleasure.

CHAPTER IV.—SPECIAL INSTRUCTIONS

1. Correspondence

Every letter sent out from our offices should be as nearly perfect in appearance, composition and style as it is possible to make it. To give specific instructions regarding every detail would take a volume in itself, but for your guidance is set down here a few of the most important things to remember.

MECHANICAL DETAILS

We use two styles of letter paper: one with the lithograph heading for "outside" and the other, known as the subject letter-head, for "inside" correspondence. The subject letter-head is used only for letters passing between departments of the Company, and must never be used for letters to customers or outside concerns. The typewriter ribbons used are to be "black record" on account of the better appearance and greater permanence of letters written with that color. Carbon copies for filing are made on light weight manila sheets, 128-C, extra carbon copies for information of Managers and others are made on the 131-A, white tissue sheets.

For outside correspondence note the following: The date should be written on a line with the city address of the office, not below it. In writing the name and address of the one to whom the letter is written, the name should be preceded by the complimentary title "Mr.," "Messrs.," etc., as the case may be, but no such title should be used before the name of a corporation as "The Sherwin-Williams Co." Begin the letter with "Dear Sir" or "Gentlemen," followed by a colon (:), never use "Dear Sirs." The Signature should be—

"The Sherwin-Williams Co.

.....

Manager."

with the Manager's name signed in ink. Others signing for the Manager should place their initials below the Manager's name. If a letter is too

long for one page and a second sheet is used, it should be on plain paper of similar quality to the first and should commence with the initials of the person or firm being addressed, followed by the number of the sheet, as "J. S. & Co. (2)." On the inside or "subject" letter-head, there is a printed heading, showing:

For..... Office..... Date.....

Mr..... Subject.....

Answering letter of..... Dictated by.....

This heading should always be filled in except that the "Answering letter of" and "Dictated by" is only filled in when the letter being written is in answer to another. It should be noted that after "Dictated by" is written the initials of the person being answered, not the initials of the person writing the letter, and it is important that these initials be shown. On inside letters no salutation is used nor will the name of the Company appear in the signature.

COMPOSITION OF THE LETTER

When composing or dictating letters, it is well to bear in mind just what you want to accomplish. Practically all business correspondence is written with the obtaining of profit as its prime purpose. The best business letters are those that with the most economical expenditure return the largest margin of profit to the sender. The following rules for the writing of business letters will be found of advantage to our correspondents:

To write effective business letters, find out what qualities good business letters generally have, and what principles are used—then practice.

Follow these five "C's"—clearness, correctness, conciseness, courtesy, and character.

Know just what you want to say and take care to see that what you do say can mean but one thing.

Study the English language—you cannot be clear without at least a working knowledge of it.

Strive for the simplest and most direct expression possible.

Avoid tediousness and stereotyped expressions.

Subordinate the "I"—make the "You" prominent.

Avoid pretentious language and very long sentences.

The "meat" of the letter should begin immediately after the "Dear Sir."

Begin with what concerns the reader, end with what concerns you.

Let the last sentence be the one you are most desirous of leaving in the mind of your reader—one that suggests that he do something, and gives him a clear knowledge of what you want him to do.

COLLECTION LETTERS

Except in special cases, collection letters should differ in one important respect from other correspondence: the quality of character is lacking.

Instead of making your letter a personal appeal, try to make your request as impersonal as possible. A collection letter is a part of the machinery of business and comes as the inevitable consequence of the lapse of payment—so avoid giving the impression that you are solely looking for your money.

2. Handling Mail

The main considerations in handling mail are speed and accuracy. It is very important that all mail shall reach its final destination as quickly as possible, and that no errors be made in delivering it to the wrong party.

INCOMING MAIL

The incoming mail should be opened at each office or in each department by the Chief Clerk, and by him carefully examined and distributed. Mail addressed to a particular individual will of course be sent to that individual unopened, but where such an one is absent from the office such mail (unless strictly personal) should never be held awaiting his return—it should be opened and given prompt attention.

OUTGOING MAIL

Outgoing mail should be handled by the regular mailing clerk at each office. Care should be taken as far as possible to see that postage is not wasted by unnecessary duplication of letters to one addressee. Letters between divisions and offices of the Company should be sorted by the mailing clerk and enclosed in the special printed envelope. It is not necessary to use the small manila envelope for inside letters unless the letter is of a confidential nature or contains enclosures that are otherwise liable to go astray.

Letters for foreign countries where a higher rate of postage is required than for domestic mail, should be enclosed in the special light-weight blue envelopes, that they may be readily distinguished by the mailing clerk and the correct postage affixed.

PROMPT REPLIES

All letters should be answered the same day they are received. If this is impossible they should be acknowledged and a definite statement given as to when answer will be made. Letters from our own offices, departments or staff, should be answered just as carefully, courteously, and promptly as outside letters.

3. Filing

The reasons for filing papers are—

- a. To preserve them in a safe place.
- b. To get them into small space.
- c. To have them accessible for immediate reference when required.

Where filing is carelessly done, it is impossible to find papers when required, and all the time and labor of filing them is lost. Therefore, it is important that papers be filed as quickly as possible and in their correct location.

In this Company's offices the Vertical System of filing is used, the correspondence being placed flat in a holder, between dividers. The dividers for outside correspondence are arranged alphabetically, and those for inside correspondence by Districts and Divisions.

The files should be in charge of a Filing Clerk, and operated only by such clerk.

No papers should be given out by the Filing Clerk without a receipt being obtained, and the party drawing papers should see receipt is destroyed when papers are returned to file.

Do not keep papers in the desks, except those that are absolutely necessary to current business.

TIME TO KEEP LETTERS

Correspondence between the Company's offices need not necessarily be retained longer than one year, if the files are crowded.

Correspondence from and to our representatives, including orders, need not be preserved longer than two years.

Correspondence from and to our customers should be preserved a full five years.

Dummy slips can be destroyed after one year and all other shipping slips after two years.

DON'T CROWD THE FILES

Letter and other files should never be overcrowded, but kept ready for quick and easy reference at all times. Move all the older and excess papers to transfer files where they should be carefully labeled and preserved until the time for which they are required to be kept has expired. All transfer files should be numbered, and on the original file should be shown the number of the transfer file containing the papers last transferred.

4. Care of Typewriters

CLEANING MACHINES

Every morning before beginning operating clean your machine thoroughly—especial care should be given to keeping clean the back rod and the carriage shift rail underneath the center of the carriage, on which it rides.

Brush the dust off, clean the rods and type thoroughly. Draw the carriage to the left and brush dust from right side of machine back of type-bar connections. Repeat the same operation on the other side.

The enameled and nickeled parts should be polished occasionally with chamois skin. When not in use, keep the machine covered.

CLEANING TYPE

The type are very accessible, and should be kept clean at all times. Use a stiff brush, such as is furnished with the machine, always brushing toward you.

OILING

After cleaning thoroughly, such parts as require it, should be oiled. The back rod especially should be kept moist with oil.

Wipe off all superfluous oil except at the exact spot where friction is liable, as superfluous oil catches dust, and such accumulations retard the free action of the machine.

WHAT NOT TO DO

In the care of your machine what not to do is quite as important as what to do:

- Do not take the machine apart.
- Do not remove the carriage.
- Do not oil the type-bar bearings.
- Do not loosen the screws.
- Do not change the adjustments.

5. Care of Graphophone

The makers of the Graphophones we use have issued the following instructions for taking care of the machines. These instructions must be carefully followed in order to keep the machine in proper working order at all times:

Place the cover on when not in use, especially at night when the sweeping and dusting of the office is done.

Turn off the power to the motor, when not needed, by throwing the switch on the front of the machine, particularly when leaving the office at night. Do not turn off the current at the lamp-socket without turning off at the machine.

Clean regularly every day. The best time is in the morning before business.

Oil regularly every day after cleaning. Never oil a dirty machine. Use a good grade of oil. Apply a few drops of oil directly in the oil hole or on the surface where friction occurs, without leaving an excessive amount to catch the dust and reach the leather belt or electrical connection.

Do not damage the Recorder and Reproducer, by allowing the cleaning-cloth to catch in the hinges or points of these tools.

Before leaving a machine that has been cleaned and oiled, adjust the speed of the mandrel to 100 revolutions per minute and test it to know it is working properly.

Lubricate wherever friction occurs, except at electrical contacts.

The important points to be lubricated are indicated on the page following.

On the Top Plate

Oil hole, large pulley.

Oil holes, in mandrel post casting.

Oil hole in right end of mandrel.

Support rods on which arm slides.

Oil holes in arm over back support rod.

Feed screw and feed screw centers.

On the Direct Current Motor

Right and left bearing through oil tubes opening into top plate.

Frictions on governor disc.

Idler pulley.

Governor sleeve.

On the Universal Motor

Oil cups at left and right bearings.

Idler pulley.

Friction felts that bear on governor disc.

Governor sleeve.

On the Spring Motor

Friction felts on governor.

Idler pulley.

Left and right bearing of governor.

Oil hole over winding crank bearing.

Be particularly careful not to lay the aluminum ear tubes over the machine in such a way that they will touch any moving parts or electrical contacts.

6. Care of Comptometers

DIRECTIONS FOR OILING

If used only once or twice a week, oil about once in three months. If used regularly eight hours a day by a rapid operator, oil once a week.

In the latest model machine with the raised indicator, oil through the double row of oil holes at the front of the machine. As most of our machines are of the older type, with the ground-glass front, the following instructions must be followed in connection with the illustration.

First take off the *face-plate*, by loosening the five screws in front of the No. 1 keys and taking out the two screws just below the register. Then pull the *face-plate* toward you.

The places to oil are indicated by arrows shown on the cut on page 38, each numbered to correspond with the following paragraphs:

1. Oil around the key stems.
2. Set the machine on a level desk and put six drops of oil in each one of the four holes near the row of 9 keys and in one hole near the 6 key.
3. Put a drop of oil on each *frame-plate main piece 0301* where it passes between each pair of *accumulator wheels 061*; also where it passes between *077*.
4. Put a drop on the inner end of each *back stop 0171* where it rests on the top of each *accumulator wheel* just at the right of the figures.
5. Put a drop on each *carrying spring 0203*, which can be seen down under the *carrying guards*, coiled around the carrying gear shaft.
6. Put two drops of oil on the left side of each *back stop* near where it is pivoted on its shaft.
7. Operate the 5 key and you will see on the first *carrying gear 0130*, a steel guard alternately come around into view and pass out of sight. This is the *carrying guard 0135*. Cancel and add 5 and 5 on each column where a *carrying guard* is in full view. Cancel once more and add 99, 999, 999. The *carrying guards* will now be out of sight except for one end of each. Put one drop of oil on the visible end of each *carrying guard*.
8. With the canceling crank set up 222222223 on the register and put a drop of oil in the notch of each canceling gear hub 0361.

OPERATING

Get instruction book issued by the manufacturers, Felt & Tarrant Mfg. Co.

Always depress each key clear down with a full, light, quick stroke.

Do not use a pencil to depress the keys, use the fingers only.

Do not carry the machine by the keys.

Keep the machine covered when not in use.

The Equitable Life Assurance Society has published a book entitled the *Efficient Equitable Employee*, which could well be taken as a standard.

THE EFFICIENT EQUITABLE EMPLOYEE

"Efficiency demands honest endeavor and careful, intelligent training. It is neither a short circuit to laziness nor a substitute for hard work. The greatest efficiency experts are those who make the other fellow want to learn an easier method or a better process."

THE EQUITABLE LIFE ASSURANCE SOCIETY

OF THE UNITED STATES

FOREWORD

The standing and progress of The Equitable Life Assurance Society reflect the loyalty and capability of those engaged in its service. One common cause—service to policyholders and the public—inspires Equitable workers. For efficient and faithful service it is the practice of the Society to give fair compensation. In addition, provision has been made for old age and disability, for life insurance, and for the general welfare of employees. It is hoped thereby that efficiency will be increased, permanency of employment encouraged, and a spirit of satisfaction fostered. These advantages are stated herein for the information and instruction of the Society's employees, who will, of course, understand that any provision that the Society may make for their benefit must be subject to the laws controlling Life Insurance Companies in such matters and that the right is reserved to change, alter, amend or discontinue any such privileges whenever and as often as in the judgment of the Board of Directors it may seem to be for the best interests of the Society so to do.

SERVICE WORK

CARE OF SUPERANNUATED EMPLOYEES

In December, 1912, the Board of Directors put into effect a plan of caring for superannuated or permanently disabled employees and established a Reserve Force therefor.

GENERAL PLAN

Payments are made at the annual rate of 2 per cent of the aggregate salary which the employee has received while in the continuous service of the Society, such payments, however, not to exceed \$3,600 per annum in any case. These payments may be discontinued at any time if sufficient cause therefore, in the discretion of the committee, exists.

ELIGIBILITY

The following are eligible to this Reserve force:

1. Employees who have rendered satisfactory and continuous service and who have attained the age of 65 years;
2. Employees who are totally and permanently disabled and who have been continuously in the Society's service for at least ten years;
3. Employees who have been in the Society's service for at least twenty-five years continuously and who may be retired under conditions which, in the judgment of the Retirement Committee, entitle such employees to benefit thereof.

INSURANCE FOR EMPLOYEES

Those who have been in the employ of the Society for at least one year are entitled to free insurance.

AMOUNT

The amount of insurance is the equivalent of one year's salary, but not to exceed \$2,400 in any case.

METHOD OF PAYMENT

The insurance is payable in twelve equal monthly instalments. In the judgment of the committee payment may be made, however, in larger instalments or in one sum.

In the case of those whose service has been for less than one year an amount equal to one month's salary will be paid.

When an employee is placed upon the Reserve Force the insurance is discontinued, but in case of death there shall be allowed the excess, if any, of the amount of such insurance effective during the last year of active service over the sum of the payments made to such employee while on the Reserve Force.

TERMINATION

This insurance will automatically cease upon the termination of active service with the Society or when an employee is placed upon the Reserve Force.

**CLASSIFICATION OF POSITIONS AND SALARY
STANDARDIZATION**

Positions have been classified and salaries standardized, as follows:

Class E—Boys:

\$300 for the first year, \$360 for the second year, and \$420 for the third year, provided these respective increases are merited. Advances in compensation are automatic up to and including the third year.

Class D—Junior Clerks, Men and Women:

\$420 for the first year, \$480 for the second year, \$540 for the third year, and \$600 for the fourth year, provided these respective increases are merited. Advances in compensation are automatic up to and including the fourth year.

Class C—Senior Clerks, Men and Women:

Minimum salary \$660 per annum with varied maximums fixed by the Salary Committee, in no case to exceed \$960 per annum. Advances in compensation in this class are made on recommendation only.

Class B—Special Clerks, Men and Women:

Minimum salary \$1,000 per annum with varied maximums fixed by the Salary Committee, in no case to exceed \$1,800 per annum. Advances in compensation in this class are on recommendation only.

Class A—Technical and Supervisory Clerks, Men and Women:

Compensation is in excess of \$1,800 per annum with a minimum and maximum salary as fixed by the Salary Committee. Advances in compensation in this class are made on recommendation only.

GENERAL PROVISIONS**ADJUSTMENT OF SALARY**

Recommendations for adjustment of salary by reason of ability or change in position are considered at the anniversary date of the employee's entrance into the Society.

PROMOTIONS

As far as is practicable, vacant positions are filled by advancement of those employees who merit increased responsibilities.

This practice applies to interdepartmental changes as well as to those within departments. Any person meriting advancement may be chosen for a higher class position which has become vacant in his own or another department.

TEMPORARY DISABILITY

Adequate provision has been made and is effective for employees overtaken by illness or other temporary disability.

PRIVILEGE OF WRITING LIFE INSURANCE

Employees have the privilege of writing life insurance for the Society. Information on the subject can be obtained from the Agency Bureau.

OFFICE HOURS

Office hours are from nine to four, except on Saturdays, when the closing hour is twelve. Employees must be at their desks sufficiently early to be at work at nine o'clock. Preparations for leaving are not to begin until the closing hour.

Whenever the condition of the work in any department makes it essential, clerks are expected to remain beyond the regular closing hours.

COMPENSATION FOR OVERTIME SERVICE

Employees working, when occasion requires, continuously until seven o'clock, or until eight o'clock with intermission of one hour for supper, are allowed seventy-five cents for supper money.

Compensation for additional time shall be upon the following basis:

Clerks receiving salaries of \$30 a month or less are paid at the rate of thirty cents per hour; those receiving over \$30 and less than \$45 a month, at the rate of forty cents per hour; those receiving \$45 or over per month, at the rate of fifty cents per hour.

For Saturday afternoon seventy-five cents is allowed for lunch for continuous work up to three o'clock (or until four o'clock, with intermission of one hour for lunch); the regular hourly rate is allowed thereafter.

REWARD FOR PUNCTUALITY AND REGULARITY IN ATTENDANCE

Employees having perfect records for promptness and regularity during three successive months are granted one day's leave of absence during the ensuing quarter, the date of such reward day to be subject to approval by departmental head. A new record may be begun on any day of the month.

HONOR CERTIFICATE

Employees having perfect records of punctuality and attendance during any twelve consecutive months will receive an honor certificate signed by the President.

MEDICAL AND HEALTH SERVICE

A well-equipped dispensary and an infirmary for employees are maintained. Illness occurring during office hours should be immediately reported to the physician or nurse in charge.

In the interest of good health and effective work a periodical health examination of each employee is made and records thereof maintained.

REST ROOMS

Rest rooms with trained nurses in attendance, are provided for men and women who are taken ill during office hours.

LIBRARY

A circulating branch of the New York City Public Library has been installed in the Hazen Building for the use of the Equitable employees.

The Society also has an Insurance Library open to employees for consultation purposes.

VACATIONS

Vacations of twelve working days are allowed employees who have been in the service one year or longer.

Vacations may be taken at any season of the year, subject to approval of heads of departments and necessities of business.

At least six consecutive days must be taken in each year; the remainder may be taken in single days, or accumulated for future use; such accumulation, however, together with current vacation, must not aggregate more than six weeks in any one year, and no accumulation of vacation earned in the first year of employment will be allowed.

Those who have been in the service for less than a year are granted one day's vacation for each month of service, but this rule, together with that contained in the first paragraph, cannot be applied to give an employee a vacation of more than two weeks during the second calendar year of employment.

Additional leave of absence cannot be granted except with the approval of the Third Vice-President.

LUNCH ROOM

For women employees a lunch room is provided on the thirteenth floor of the Hazen Building, where lunches are served at reasonable cost. Tables are reserved for those who wish to bring their own lunch.

ROOF GARDEN

A roof garden, equipped with steamer chairs, adjoining the lunch room, has been set aside for the rest and recreation of women employees.

BULLETIN BOARDS

Bulletin Boards are provided in each department as a ready means of communication between officers, heads of departments, and employees.

FIRE APPARATUS AND BRIGADES

In order to guard against loss of life and property by fire, the Society has installed modern fire appliances, and has arranged for the patrolling of the Hazen Building, both day and night, by trained firemen.

A fire brigade of employees has been formed on each floor to handle the fire apparatus, and take charge of the situation in the event of a fire until the arrival of the uniformed firemen. The names of the members of the brigade are posted in a conspicuous place on each floor, and fire drills are periodically given.

Upon the ringing of the fire gong employees are to leave the building in an orderly manner.

The fire rules which have been placed in the hands of each employee should be learned and strictly observed.

Disturbing the fire apparatus is a violation of law.

DRINKING WATER

Filtered drinking water and individual cups are supplied. Analytical tests are made from time to time in order to insure purity.

REGULATIONS FOR OFFICE GOVERNMENT

The employees are expected to support by their conduct and influence the efforts of the officers to secure orderly, economical and efficient administration.

The Equitable is a public service institution and its spirit should be expressed in co-operation and courtesy. The good-will and friendship of those who transact business with us are won or lost by the treatment they receive. Cheerful co-operation on the part of each employee, together with business-like deportment and appearance, is essential to this end.

The obligation of the officers and directors to the policyholders is of necessity shared by each and every employee, and of this fact employees should ever be mindful.

LUNCH TIME

A period of forty-five minutes is allowed for luncheon.

ABSENCE AND LATENESS

Absence and lateness are considered in determining the value of an employee's service, especially in connection with the consideration of salary merited on anniversary dates. *Time-records, therefore, are important.*

The signing of the time-book is imperative; reason for lateness and early departure must be plainly stated therein.

Any employee caught intentionally registering incorrect time or signing another's name will suffer dismissal.

In necessary absences the cause thereof and anticipated time of return must be communicated at the earliest practicable moment to the departmental head.

METHOD OF SALARY PAYMENT

Salaries are paid semi-monthly, on the 15th and the last day of the month.

Salaries are paid in cash or by check, as desired.

PASSES FOR ENTRANCE TO OFFICES AFTER HOURS

After six o'clock employees are not allowed in offices unless passes have been procured from heads of their respective departments.

CHANGE OF RESIDENCE

Whenever a change of residence is made employees must promptly notify the heads of their respective departments.

ASSIGNMENT OF SALARIES

The borrowing of money upon the pledge or assignment of an employee's salary is absolutely forbidden.

ARTICLES LOST OR FOUND

Employees losing or finding articles should immediately report the same to the heads of their respective departments.

HABITS

Success is largely dependent on good habits.

SMOKING

Smoking in the Society's offices is prohibited.

INFORMATION

All information respecting the business of the Society must be held in strict confidence.

SUGGESTIONS

Suggestions for improving the service are invited.

Due credit will be given employees who devise methods to simplify work or who offer workable suggestions that may effect appreciable economy without sacrifice of efficiency.

Information which may come to the attention of employees as to matters affecting the interests of the Society should be communicated to the proper officers.

The Third Vice-President will be pleased to confer, as occasion arises, with employees relative to their personal welfare or the good of the Society.

CHAPTER VI

DISCIPLINE

What can be done to overcome the irregularities bound to occur among any large body of employees and to bring about a hearty coöperation in conforming to the rules and regulations in force? The cause of friction in offices is often to be found in such infractions of the rules. Through carelessness some employees are responsible for delays and mistakes; their poor work sometimes reflects upon others in the department; and their irregularities in attendance and continuous tardiness bring down the efficiency of the whole staff and cause dissatisfaction among those who are endeavoring to conform to all rules in letter and in spirit.

THE BASIC CONDITION OF DISCIPLINE

The aim should be to have ready at all times and in the right place the exact kind of information, energy, and results which the institution at its highest point of efficiency can produce. Discipline teaches the employee to do his work without waste. It is based on clear thinking, enthusiasm, and cheerful endeavor. We are not sure of finding this in any institution which does not have men of the right ideals at the head of its organization, and in charge of its various departments. We get the satisfactory results when we have department heads who can arouse the enthusiasm of those who are work-

ing under them. It is rarely that a man is discovered who can get the effective results out of those over whom he has authority simply because he uses the big stick and has a private office or a mahogany desk.

DISCIPLINE BASED ON KNOWLEDGE

Discipline depends upon the knowledge that a department head has of the work that is being done under his supervision, accompanied by the correct attitude towards those whom he asks to carry out the work that he has in hand. When a man knows that the thing he is asked to do is right and that the person who asks him to do it understands exactly what it is that he wants done, and when the fairness of the matter is apparent, the coöperation in carrying out instructions follows naturally. A department head does not have to insist upon his instructions being followed or his orders being carried out if he is aware, and if the man under him is aware, that the department head knows his authority is absolute.

Authority comes naturally from the trained mind, and where such is found in an executive position, discipline follows as a matter of course. Because all minds do not recognize these qualities in a superior, we give him a title and the natural appurtenances of his office and clothe him with the outward habiliments of authority. These artificialities alone will do him no good, but to even the best man they are an adjunct.

In organizations where rigid discipline is of special importance, such as the army or a police force, the rank of each individual and the degree of authority which he possesses are clearly indicated in his uniform and other visible insignia of office. Usually, also, there is a more or less distinct social separation of officers and men. One group is *persona non grata* at tables and social gather-

[illegible]

FIG. 12.—Late Sheet

disciplinary control. The effect is undoubtedly beneficial in the administration of these organizations and has its lessons for industry, especially where large bodies of employees are involved. The exact method used is less important than a recognition of the principles and causes which lie back of the purpose.

TARDINESS AND IRREGULARITY

Naturally, the first step in the regulation of tardiness and irregularity is the installation of the correct method for keeping track of the time put in by each employee. Nothing has as yet been found superior to a time clock, although it is objected to by some because they think that it puts them on the same plane with the factory hand. This objection can be readily overcome by insisting that every person in the place, from the highest official down, should have his time recorded in the same way. No employee, however near the bottom of the ladder he may be, can object to complying with regulations which the highest in authority abide by. The easiest way to secure conformity to rules is to have those who make the rules the most punctilious about observing them.

In the Equitable Life Assurance Society all employees on their arrival in the morning are required to sign a time book. The time book is in the hands of a responsible clerk detailed by each department head. At nine o'clock a red line is drawn across the entrance column of the time book, which is then turned over to the head of the employment section. From nine o'clock until nine-fifteen, employees as they come in are compelled to sign the late sheet, Figure 12. To call their attention particularly to this, the word "late" is written in large type and printed in red, and at the head of the sheet is printed, "All that lateness gains for you is lost honor days." At nine-fifteen, the late sheets are turned over to the head of the employment department, and any person who enters after that time is required to go to the employment department and sign the sheet. As might be expected, this plan reduces tardiness to the unavoidable instances.

A new record may be begun on any day of the month. An employee who has a perfect record of punctuality

[illegible]

FIG. 13.—Delayed Departure Sheet

and attendance during any twelve consecutive months receives an honor certificate signed by the president of the company. Also a record is kept of all who leave the office before or after the regular hour for closing, Figure 13. The reason for keeping the delayed departure sheets is to regulate and eliminate overtime work so far as possible, for they show which departments are working too much overtime.

Figure 14 shows the complete record kept for each employee during the year, giving the number of times late and the number of times absent. Tardiness is indicated in red ink and absence in black ink. The inducement in such a system as described for the employee to maintain his good record is the advantage that he gains in extra days of vacation and in the certificates which he receives for a perfect record, these certificates furnishing one of the best recommendations in case the employee finds it advisable to look elsewhere for a position. Much good work is done in the employment department of the Equitable Life Assurance Society by means of a house organ, published monthly, in which is given a list of those on the honor roll with humorous references at times to the habitual offenders.

A limit is placed on the number of times that a person may be late or absent, and continued disregard of the rules of discipline leads to the discharge of the employee, no matter how high his position or how satisfactory his work may be. Every effort is made to correct these faults in an employee, and he is not discharged until he has been given plenty of opportunity to overcome his lack of adherence to the rules.

ELIMINATION OF CARELESSNESS AND POOR WORK

The problem of how to correct the nonobservance of instructions and carelessness in work offers to the administrative officer the best test of his fitness for his position. In the Equitable Trust Company a complete record is kept of every employee as to his absences, tardiness, errors in work, and any other features covered by the elastic head of discipline. Where the number of these offenses go above a certain point and are not corrected, the employee, after sufficient warning and oppor-

1913		NAME,		DEPARTMENT:		DATE APPOINTMENT:																													
JAN.		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	Wk. Total	Wk. Avg. Abs.	
FEB.																																			
MAR.																																			
APR.																																			
MAY.																																			
JUN.																																			
JUL.																																			
AUG.																																			
SEP.																																			
OCT.																																			
NOV.																																			
DEC.																																			

1913		1914	
TOTAL LATE	TOTAL ABSENT	TOTAL LATE	TOTAL ABSENT

FIG. 14.—Yearly Record of Tardiness and Absence

tunity to reform, is dismissed and the reason for his going is known throughout the office.

REWARDS AND HONORS

The record is further made the basis for rewards which can be consistently given. No advancements are made to continuous offenders; and where promotion is lost which would have belonged to a man except for his bad record, his attention is called to it, and if he wishes to reform his habits, he is in line for the next advancement. A system of points is maintained, and certain benefits accrue to an employee for his perfect record, such as extra days off without loss of pay, extra days of vacation, and privileges which the management has the opportunity of extending from time to time.

When the United Cigar Stores was organized, there was maintained in its department of efficiency what was termed the "black book," containing the black marks which were put down against the various employees for infractions of rules. Instead of the black book they now issue a white list with its roll of honor, and awards are given to those highest on the list.

CONSTRUCTIVE DISCIPLINE

It can be stated as a settled principle that the honor list with its awards will correct bad habits in an organization more quickly than any penalty which may be imposed. In an office where there has been difficulty in handling lateness, these violations were decreased at least 50 per cent by a system of credits for promptness and rewards for conformity to rules. *Why should good results be taken as a matter of course and attention be paid only to infractions of the rules? Why should continuous good work be unrewarded and poor work and mistakes be complained of?* Better results are obtained

by a constructive policy which sets a standard of what it wants and rewards those who attain the highest percentage of efficiency.

Hugh Chalmers, acknowledged as one of the most successful of managers, in speaking of his methods of handling salesmen advocated praise as the greatest stimulant for men and condemned fault finding as the least effective method of bringing out the desired qualities in employees. If criticisms must be made, they should always be stated frankly, fairly, and kindly; resentment may be guarded against if at the same time mention is made of the things in which the employee does excel. A little leaven of praise accompanying the reprimand ordinarily puts the employee in a better spirit to effect the cure.

SPECIAL METHODS OF DISCIPLINE

It has been found possible to accomplish the correction of errors among some by indirect methods more easily than by direct. Where an employee is late continually, some employers find it possible to eradicate this habit by leaving word at his desk occasionally for him to take up a certain matter; when he arrives and is ready to take up the question, the employer says, "You were not here; so I had someone else attend to it." After this embarrassing experience has occurred perhaps three or four times, the employee realizes that it is to his advantage to be on time. Where an employee is habitually behind in his work, one manager makes it a point to ask for certain things which have not been done and which ought to be done whether he needs them or not. No conscientious employee likes to have his attention many times called to the same remissness, and thus by an indirect method that manager has overcome that one particular fault among his men.

In one institution, where for a long time records had been kept of errors in a bookkeeping department without satisfactory results, the defect was almost entirely remedied by posting the records of the various employees on a blackboard in the office and by offering rewards to the one having the smallest number of black marks against his record. Instead of the fault-finding plan there was substituted the idea of a contest in which all took part with the prize awarded, as it should be in every game, to the best player and the most proficient performer.

It is difficult sometimes to make all the employees appreciate the fact that the rules are fair and that the methods of instruction given for the different kinds of work are the best. One employer who has worked out a set of rules and established a standard of office detail which he knows to be correct, does not try to force them on the newcomer, but goes upon the principle of allowing the man to do things his own way first and for a long enough time so that he can be convinced that his way is wrong and that that of his employer is right. By this process he secures the efficient coöperation of his men, because they ultimately convince themselves of the superiority of the established office procedure. The manager mentioned is also assured of one thing; that is, he is not missing the opportunity of improvement in his methods which he might fail to secure by absolute insistence at the outset.

GRIEVANCES

A great deal of friction, ill will, and mutual misunderstanding which call for adjustment and discipline are simply the result of grievances on the part of the employees in an office. The wise handling of these misun-

derstandings, dissatisfactions, and grievances is one of the most important problems of office management. In handling such cases the most important causes of grievances should constantly be kept in mind. The following outline of causes is abstracted from a discussion by the committee on vocational guidance of the National Association of Corporation Schools presented at the fourth annual meeting:

Causes of Grievances	1. Vocational misfits—Get right man at the start.	
	2. Wage dissatisfactions	<ul style="list-style-type: none"> a. Low wage. b. Haphazard, progressive wage. c. Cuts in standards. d. Want of standards.
	3. Unsatisfactory working conditions ...	<ul style="list-style-type: none"> a. Fair hours. b. Air, light, heat, ventilation, etc. c. Standardized safety and health conditions. d. Living surroundings in homes. e. Personalities of foreman or workers.
	4. Inadequate promotion and transfer plans	<ul style="list-style-type: none"> a. Advancement. b. Honors. c. Intelligent, known plan.
	5. Uncertainties	<ul style="list-style-type: none"> a. No clear definition of duties. b. Divided authority.

Though petty and serious grievances of all kinds are known to exist wherever a group of workers coöperate,

there has nevertheless been a conspicuous lack of complaint machinery for handling such situations. In some cases where methods exist for adjusting these complaints, very little provision has been made for *sensing* the dissatisfaction, friction, and jealousies which subtly undermine the efficiency of an organization. Prevention and constructive work should be the aim.

Experience seems to show that it is unwise to leave all the vital and delicate problems of adjustment and discipline entirely to any one individual whether he be foreman, department head, member of the firm, or even employment manager. The tendency is in the direction of taking this function out of the hands of one official and placing it in the hands of a committee or board. A special grievance machinery is being established which provides a democratic means for handling grievances with a tendency towards arbitration on the more difficult problems, thus tending to give everyone a fair, judicious hearing and trial based on facts rather than an arbitrary decision based on the whim or personal bias of any one person with arbitrary authority to act.

DISCIPLINE AND COÖPERATION

As previously stated, discipline in the office depends upon the man who is responsible for it. If he has a thorough knowledge of the work that is to be done by his followers, a true sense of justice, patience, and sympathy for those who may not be as proficient or as experienced as himself, the necessary tact to bring his coworkers into line with his ideas, and enough worldly experience and firmness not to be imposed upon by those who may not have the correct sense of their positions, discipline will work out for itself, and he will get not only the observance of the letter of the law, but also what

is more to be desired, the spirit of coöperation and that enthusiasm which inevitably accompanies the rule of the natural leader of men.

TEST QUESTIONS

1. What should be the basic conditions of all discipline?
2. What is meant by discipline based on knowledge?
3. Describe some of the most effective means used for correcting tardiness and irregularities.
4. How is carelessness and poor work to be dealt with?
5. What is the basis of constructive discipline? What does Hugh Chalmers say regarding this point?
6. When are ingenuous methods of discipline justifiable?
7. Give five classified sources of grievances.
8. What special machinery should be established for the handling of grievances?

CHAPTER VII

METHODS OF PAYMENT

There are two basic methods of paying men for what they do: (1) According to the number of hours spent and (2) according to the amount of work done. One is the *day-wage* system; the other is the *piecework* system. Various combinations of these two fundamental systems are found in bonus and premium systems.

FIXED SALARY

When men are paid for their day's work, it is by a fixed salary. There may be objections to this method in that it is difficult to determine what is the fair wage and also to make provision for the increases in salary which shall be equitable as regards both the employer and the employee.

Unfortunately, in many organizations the custom prevails of waiting until the employee asks for an advance in salary, and then the regrettable condition arises in which the employer on the one hand is interested in keeping the wage down and the employee on the other hand in bringing the wage up, neither one having computed on a scientific basis the probable right amount.

No two institutions have similar ideas of the exact value of a day's work, and consequently there is an unsettled condition as regards both employer and employee. It usually is arrived at by the employer's estimating the

total amount of what he can afford to pay for his office work, and this amount is then divided up among the various employees, not always according to what each one deserves, but more often culminating in those who have been the most insistent, and who perhaps were the best bluffers, drawing the larger amounts.

BONUS SYSTEMS

Another method of payment is a salary and a bonus. By that method the salary should be a reasonable amount for the average work required to earn the salary, and the bonus should be such as is fair and a true measure of the work necessary to gain it.

In determining what this bonus shall be one method is to set a standard from previous records and then to divide the value of the time saved by any employee between him and the firm. The unsatisfactory part of such a system is that as a rule the standards which are set are not equitable, and we have a condition arising in which the proprietor is raising the standards continually. To offset this the employees fix among themselves a point beyond which they will not go and insist upon their co-workers not going above this point for fear of the standards being raised again. This plan is generally discredited in factory and office work.

Instead of taking previous records, another plan, which is an improvement over that method, is to make a careful study of the time required for any operation, to determine the best method of doing the work in the shortest time, and then to instruct the employees in those improved methods. After this has been done, the rates are determined, and bonuses are paid for doing more than the standard of work. This latter plan is an improvement on the first named, but there still may re-

main a dissatisfied condition among employees and a constant contention among employer and workers as to the fairness of the rate.

A further improvement on both the plans described is what is known as the "Emerson bonus system." Under it the best method of doing the work is determined; the employees are taught the improved method; and the time for doing all work is standardized. This information fixes the task. Ordinarily $66\frac{2}{3}$ per cent of this rate is decided upon as the normal amount, and bonuses are given to all employees who exceed the amount specified; 100 per cent efficiency gives the employee 20 per cent increase.

PRACTICAL HINTS TO STANDARDIZATION

All the methods described have been successfully applied in factory operation, but their application to office work has been in some cases satisfactory and in other cases not. It is naturally more difficult to apply such systems to the detail work of an office than to the processes of a factory. Some of the difficulties have been that the work of employees in an office is not always specialized, and we may find an employee in the course of a day devoting his time to many different kinds of work. Another difficulty has been the inability to classify the work properly and to determine standards correctly. There is no doubt that there has also been a serious objection to the bonus plan on the part of employees. Any tendency to make an office operate on the basis of a factory measuring the work turned out finds its opponents among office employees.

There are probably certain parts of the work in large offices that may be handled on this basis. The work of machine operators and employees whose work is of such

a nature that a fair basis can be established and an equitable rate determined may operate satisfactorily under such arrangement.

PROFIT-SHARING IN OFFICE WORK

In any except the larger offices, where the work of a majority of the persons employed is spent on one particular class of work, it is impracticable to do anything else than adopt the straight salary basis. There may be added to this, however, the system of profit-sharing. This is especially adaptable to heads of departments and managers, although it is not applicable to the ordinary employee. Profit-sharing depends upon tenure of office and the employees having been long enough connected with the firm to be so interested in the work as to desire a share of the profits. The ordinary worker usually wants his money at once and is not willing to take the chance of profits.

In almost all the banking houses in the larger cities the profit-sharing plan has been adopted. Distribution of earnings is made generally at the end of the year and comes in the form of a payment at Christmas time, varying from 5 to 10 per cent of the yearly salaries and in exceptional instances even more.

The office which bears the reputation of paying good salaries gathers about it a class of employees of whom it is only just to say that they do give measure for measure; and, vice versa, offices which gain a reputation for the payment of low wages gather about them those who are incompetent or who become so because of their lack of incentive. It pays the employer better to give one person a higher wage for more work than to pay a number of men small wages for the same work.

CLASSIFICATION OF POSITIONS

There is always in the mind of the conscientious worker the hope of advancement; for this reason many firms divide their workers into classes; each class to be paid a certain wage which may be increased, within defined limits, by tenure of office and satisfactory work. This increase, however, is slight, and what the employer contends for is advancement to the class above with its increased possibilities.

In the Equitable Life Assurance Society, positions have been classified and salaries standardized as follows:

CLASS E—BOYS:

\$300 for the first year, \$360 for the second year, and \$420 for the third year, provided these respective increases are merited. Advances in compensation are automatic up to and including the third year.

CLASS D—JUNIOR CLERKS, MEN AND WOMEN:

\$420 for the first year, \$480 for the second year, \$540 for the third year, and \$600 for the fourth year, provided these respective increases are merited. Advances in compensation are automatic up to and including the fourth year.

CLASS C—SENIOR CLERKS, MEN AND WOMEN:

Minimum salary \$660 per annum with varied maximums fixed by the Salary Committee, in no case to exceed \$960 per annum. Advances in compensation in this class are on recommendation only.

CLASS B—SPECIAL CLERKS, MEN AND WOMEN:

Minimum salary \$1,000 per annum with varied maximums fixed by the Salary Committee, in no case to exceed \$1,800 per annum. Advances in compensation in this class are on recommendation only.

**CLASS A—TECHNICAL AND SUPERVISORY CLERKS,
MEN AND WOMEN:**

Compensation is in excess of \$1,800 per annum with a minimum and maximum salary as fixed by the Salary Committee. Advances in compensation in this class are made on recommendation only.

The true method of payment must first be a just one and should be continually increasing not only for length of service, but also for improved position due to the efficient work done by the employee.

TEST QUESTIONS

1. What are the two basic methods of compensating labor?
2. What are the chief objections to the fixed salary plan?
3. What is meant by a bonus system?
4. Explain the Emerson bonus system.
5. On what different plans are bonus payments based?
6. Why is standardization an important factor in the working of a successful bonus system?
7. How is profit-sharing applied in office work?
8. Indicate how positions may be classified for the purpose of establishing salary schedules.

CHAPTER VIII

PROMOTIONS

All men no matter what their positions work for rewards. Not long ago a man who had had experience covering years of work in handling men made the statement that there was only one thing in which the average employee was interested and that was the amount of money which he received in the pay envelope. That statement is not wholly true, but the idea which prompted it is correct. The amount of money in which the worker may be interested depends upon conditions. What every person is, and should be, intent upon is that he finds himself in the right position in his class. The money which he receives is one method of estimating this. Other things added to his salary help to compensate him for the work he is doing.

There are various rewards for which all men work. The reward may lie in the honor of being called the star salesman of his house; it may be in the satisfaction of knowing that he is going forward in the business and that ultimately he will succeed; it may be that he understands that the business itself is advancing and that as it succeeds year by year he, with others who have helped to make it prosper, will receive his reward.

Whatever may be the rewards that are offered for the moment, every employee must feel that advancement awaits efficient work, that promotions follow for those

who conscientiously do their part in building up a business, and that such promotions go not by favor and not by tenure of office, but by the quality of the work done.

A DEFINITE PLAN

From the standpoint of the employer, correct methods of promotion must be established. Many employers who complain most bitterly of the short terms of service of their employees and the rapid turnover of their labor force have never given much thought to working out a definite plan for the systematic advancement of their employees. Any office is not what it should be that does not find in every department outlets for its capable men to advance. The promising ones should be allowed so to improve their work that they will continue to grow and thereby become more valuable to the company and to themselves. Not otherwise can the entire work of the organization improve. How can a company expect to hold competent, able, and ambitious young men unless it provides the proper outlook for them, and where will it continue to gather the men for its better positions except from its own field? It indisputably cannot depend on competitors being foolish enough to let good men go, or, if they should, on such men being secured at the proper price. There is no more practicable way to fill positions of responsibility than with men who are true and tried and have worked their way through the various departments.

REWARDS FOR EFFICIENCY

From the standpoint of the spirit that should be paramount in an organization, there is no such inducement for good work as the knowledge that conscientious endeavor will be rewarded and that there exists a sys-

tematic method of promotions by means of which those who deserve it receive their due. The most successful institution is usually the one in which the department heads have been trained up from the ranks of the employees. It develops a uniformity of working plan and policy. Every office has minor ways in which its work differs from that of others. The worker who has grown familiar with the traditions of the business and with whose characteristics outsiders have become acquainted, is naturally a valuable asset of the house. Wherever advanced positions are filled with men from the outside, a close scrutiny will disclose some feeling on the part of the workers within; and we see the men who are side-tracked seeking positions elsewhere to satisfy the very natural and commendable ambition that the company should have fostered. No organization should be looked upon as a mere training school for other places.

PROMOTION FROM THE RANKS

Breaking in new men is expensive. Even in the minor positions in an office it has been estimated by some that it amounts to from \$50 to \$100; in the higher positions it naturally costs more than in the minor ones. Training takes time. Where men familiar with the workings of an office are advanced and positions are filled from within rather than from without, the cost of the education of new men is vastly reduced. The proper place to take on new men is at the bottom. As soon as employees understand this policy in a firm, changes throughout the force usually become rare, for everybody has his wagon hitched to a place higher up and there is a satisfied corps of workers, knowing that their advancements will come in a methodical way.

RECORDS AND INCENTIVES

Most cautiously and judiciously should the plan of advancement be adopted. So far the best-known method is to keep efficiency charts of every employee from the moment he enters the employment of the firm. The charts should be made up of certain general information, such as character, health, intelligence, and capacity for learning, and the definite results of the work done should be kept by the department head, showing such details as how well his work is organized, whether it is promptly done, thoroughly done; whether he has the proper idea and control of expenditures; what results he gets from those who are under him, how well he develops and trains others; where he stands as regards initiative and enthusiasm; if he is regular, punctual, accurate; whether he possesses good judgment, powers of concentration, and whether he has the correct ideas of going forward; whether he studies and endeavors to improve his mental condition; and what his knowledge is of the product that is being turned out, his conception of the business, and knowledge of affairs generally. All this data can be charted for each individual and should be gone over frequently in order to have an accurate inventory of employees, just exactly as is kept the inventory covering the other assets of the business.

With such charts it is possible to divide the workers into grades according to their capacity and their possibilities. At the same time it is possible to arrange the work by grades. As far as practicable these grades of work should be so marked off that the same kinds of work only are included in one grade. The natural advancement then in the business will be to go from the bottom to the top in the grade in which one is working,

and from one grade to another when it is known that the employee has the qualities to secure better results in some other grade.

The work of each class and grade should be standardized and a system of minimum and maximum compensation established for each grade, in order that workers may begin at an initial salary which is fair and as they advance may gain increases either for the good work that is done or for tenure of service. Beyond this maximum pay further compensation must come to the employees by promotion to some other grade. If the classes and grades are thoroughly understood, every employee knows just what is required of him in order to advance, and it should be made convenient for any employee to learn the duties and the work connected with the position above him so that he may be ready for advancement.

TRANSFERS

If an employee is in a division in which he is not interested or successful and if some other grade offers attractions to him because of the difference in work, there should be a chance for him to shape his course so that it permits him to enter the class toward which his ambition and inclination have drawn him.

Every employer wants his men to advance. He gets the best results from them when they are interested in the part of the work which they are doing. He secures better thinking and better developing men when he shows them the possibilities of advancement and allows them to do the necessary work to go forward. However, additional payment beyond the certain point for tenure of service is unfair to the employee who receives it and to those of his fellow workers who may be doing better work at a lesser wage.

INTELLIGENT APPRECIATION

Satisfactory promotions are the ones that are made as a reward because of:

1. Work well done.
2. Loyalty to the interests of the business.
3. Developed efficiency.

Let each person understand the exact steps that he must take to advance; let it be possible for him to have the training for his work; let him receive encouragement to get into that branch of the business which he enjoys. There is the example of a great army famed for its proficiency and enthusiasm and operated under a renowned military genius—an army in which the promotions came from the ranks. It was Bonaparte who said that every soldier carried a marshal's baton in his knapsack.

Among the more important causes for wanting to quit are physical unfitness for the task, irksomeness of the work, inability to get along with the foreman or other employees, and want of a future in present position. With a scientific promotion and transfer system based on a knowledge of the different jobs and of the strong and weak points in the individual workman many of these cases can be adjusted, thus making for efficiency and contentment.

TEST QUESTIONS

1. Is the question of promotion a definite office management problem?
2. What are the requisites of a good promotion plan?
3. How may an organization avoid becoming a mere training school for other places?

4. What should be the policy with reference to promotion from the ranks?
5. How may records and incentives be used in connection with a promotion system?
6. Explain the relation of transfers to promotion.
7. What are the three most satisfactory bases for making promotions?
8. What duty rests upon the management in regard to promotions?
9. What are some of the more common causes of wanting to quit?

CHAPTER IX

INCREASING EFFICIENCY

CONTESTS AND RIVALRIES

Why is it that persons enter into contests and games with spontaneous enthusiasm? Why is it that from the beginning of time games have been invented and contests have been arranged? Implanted deep in every human heart is the desire to excel; and no man lives who desires not the approbation of his fellow men. However much the modest may deny it, however much even we may commend the qualities which prompt his denial, there is scarcely a person who does not enjoy seeing his name in print provided, of course, that what is said is to his credit.

Why should not offices take advantage of this characteristic in human nature and like the farmer who harnesses his brook and thereby gains the electric current which drives the machinery of his farm, make of it a natural resource?

MAKING BUSINESS A GAME

Sales managers for a number of years have appreciated the fact that they get better results from their men by some artificial stimulus. Consequently contests are arranged among the salesmen and prizes are awarded to winners. The spirit of the game and the advantages of rivalry are recognized as features which arouse the

enthusiasm of the selling force and eventuate in increased returns. In order to get further benefit from these contests, printed reports are sent out frequently so that men may know exactly where they stand.

Recently, by inaugurating such a campaign, one of the largest office specialty houses increased its sales over 50 per cent. During the time of the contest a weekly paper was published, showing the pictures of the salesman who made the greatest number of sales, the salesman who secured the largest amount of sales, the salesman who made the biggest sale, and the salesman who made the highest per cent of his quota. Substantial prizes were given for all four results. There was also printed in the pamphlet the list of the men, showing the order in which they stood as regarded the per cent of quota required. Without question that list was of added importance because it contained the names of all the contestants; just as any man desires to have his name at the top, no man wants his name at the bottom of the list.

PRIZES AND ENTHUSIASM

Why should not this same method be adopted in offices, and why should it not be reasonable to assume that the same results will accrue? Again, why should we accept the suggestion that salesmen need this extra stimulus to bring out their best work and not see its advantages when applied to the office force? Too often we find an employer whose attitude is that the office is only doing what is expected of it when it turns out its work; and *in lieu of any words of commendation for good work done he puts all his criticism into fault finding for the mistakes.* There is nothing that brings out the good work of individuals more than the appreciation of those in authority. There is nothing that increases the en-

thusiasm of a corps of workers more than the infusion into the work of the spirit of a contest in which the ability and energy of each one of the various members can be shown in comparison with all others. Men play games usually with more zest and enthusiasm than they show when they are operating machines; but they can get the same rewards and pleasures and more satisfaction when what is usually the drudgery of business is turned into a game of skill and effort.

In every department of a business it is possible to arrange contests among the various employees which will create the same rivalries found in the playing of games. The rules should be fair in all instances. The methods of grading the contestants should be accurate, and the rewards for success should be consistent with the results.

SPECIAL OFFICE APPLICATION

The contest and reward idea need not necessarily always take the form of a material reward. Many office managers increase efficiency, regularity, and long tenure by various systems of rewards and bonuses. One manager in a smaller office uses a bulletin board as a "service register." The names of all employees appear in a conspicuous place. Opposite each name a red star is posted for each month's continuous service and a gold star for each year's service. Naturally, the members point with pride to these records. The idea may be carried still further by designating those of a certain tenure as members of the "Gold Star Club," "Five Pointers," etc.

Another uses a glass enclosed bulletin board as a "Hall of Fame," in which medals are displayed with the names of the holders who have been rewarded for specially meritorious service.

Various graphs and barometer charts with columns

showing the daily, weekly, or monthly percentages of efficiency of workers on a standardized task carry out the same idea.

As a matter of fact there are few operations which cannot in some effective manner be brought under the stimulating influence of wholesome rivalry. Specific rewards and the judicious use of graphic records are the means of focusing attention and visualizing results.

TEST QUESTIONS

1. How may contests and rivalry be used to increase efficiency?
2. Explain a concrete way for adding the zest of a game to office work.
3. When should praise be given? What form should it take?
4. How may prizes be used to create enthusiasm?
5. Explain in a concrete way how bulletin boards may be used to stimulate rivalry?
6. How may charts and graphs be used to stimulate efficiency among the workers?

CHAPTER X

SUGGESTIONS AND IDEAS

STIMULATES INITIATIVE

The suggestion plan is of great value. The system of encouraging the giving of suggestions and ideas by the working force is now a factor in the growth of many concerns, and it is acknowledged to be one of the most essential for the success of the organization. The idea is, of course, to stimulate all who are connected with the industry to contribute toward its improvement, and it is based on the principle that the ideas for such improvement naturally spring up in the minds of those who are doing the work and while they are doing it.

EXAMPLES OF RESULTS

A large insurance company that put the suggestion system into effect received during the first week from one of its office boys an idea in regard to handling a certain detail of office procedure which netted the company over \$1,500 in the first year of its operation.

Many years ago Marshall Field & Company made the offer to its employees that it would give a dollar to anyone connected with the company who first called attention to an error in any advertisement of that house. It was considered an error if a false statement of any kind were made, if a word were misspelled, if the price were wrong, if there were any grammatical errors, or if there

were any exaggerations. Naturally, this offer made every employee read the advertisements carefully and, what was of greater advantage, it made him think about what was said in the advertisement. As a consequence, those who were in charge of the different departments became more accurate in the pricing and description of the goods, and the advertising department became more efficient because of the extreme care necessary to avoid heavy penalties.

The National Cash Register Company has worked out the suggestion system as a result of extended experimentation, and certain points which they bring out are worthy of consideration:

In the first place, careful attention to certain details in carrying out the idea is important. Be sure that the heads of departments are in sympathy with the movement and are cooperating with you. Quietly among their own employees they can do a lot either for or against progress. In some cases, they probably will think it a reflection upon their ability if good suggestions are received from their department. They must be taught that it is just the reverse; that their departments will be stronger in proportion to their ability to get the best thought and cooperation from all their employees.

Be careful to investigate impartially and thoroughly all suggestions received. Answer them whether adopted or not. If adopted, a short notice of thanks will be all that is necessary. If not adopted, a note should be written stating why the suggestion could not be adopted and making it clear that you appreciate its having been submitted and would like to receive others.

Suggestions should not be passed upon finally by the head of the department from which they come, although, of course, he should be consulted. Some disinterested person should investigate the suggestion. If this can be some official of the company or his direct representative, so much the better. Our president

himself gives much attention to the suggestion system and encourages it as only a superior officer can.

Be liberal and adopt as many of the ideas as you possibly can, whether of much value or not, and thus encourage the employees to go ahead.

Prizes or rewards of some kind should be given to several of the employees submitting the most valuable suggestions in a given time, say once each quarter, or once every six months. It will be for you to decide what the total amount of the prizes will be, if paid in cash, and also how the amount is to be divided. Our suggestion is that instead of having only two or three prizes, the amount be divided, so that a number of people will participate in its distribution. The details of this can be announced by simply posting bulletins in the shops. It would be a good idea to follow this up by calling a meeting and explaining the situation and thus getting the employees to believe that you honestly desire their coöperation. The bulletins could state what the prizes will be, when they will be awarded, who will decide as to which suggestions are the best, etc.

Of course, there are many things to be considered in selecting the best suggestions. Some may be those from which you could figure out a saving in dollars and cents. Others may be an improvement of the product, which one could not figure in dollars and cents, still others may be an improvement in office system, and so on.

Give some public recognition to those whose suggestions are good. When our concern was smaller, we would hold a meeting of all employees in some public place that would accommodate them and have a program of music and talks and publicly award the prizes and thus officially recognize and honor the prize winners. This we cannot do now, but we have a meeting of the prize winners, their wives, department and division heads, officials of the company, and a few invited guests. Usually this is an evening meeting preceded by a dinner. Afterwards a small paper is distributed to all the employees, or a bulletin posted, giving the names of prize winners, showing their pictures maybe, putting up flags in their honor, etc.

Provide some convenient way for the employees to write out and submit their suggestions. We naturally use small autographic registers, but this is not necessary.

Their advantage is that the employee has a copy of his suggestion for his own use, as the record is made in duplicate, the employees tearing off and retaining the original and the duplicate being wound up in the machine where it is gotten by the company's representative. Small locked boxes with slide lids scattered throughout the plant, one in each department, or a couple in the larger departments, perhaps, with little notices above reading, "Put your suggestions here" would answer the purpose.

One other point is that we consider a complaint just the same as a suggestion if it leads to an improvement.

THE REWARDS

The bulletin showing the prizes offered by the National Cash Register Company follows:

\$3,000 yearly in prizes for best suggestions.

\$1,500 in cash prizes will be distributed in June and

\$1,500 in December among the employees submitting the best suggestions in the preceding six months.

On any subject pertaining to the business divided as follows:

1 Prize of	\$ 100.00
3 Prizes of \$50 each	150.00
10 Prizes of 25 each	250.00
50 Prizes of 10 each	500.00
100 Prizes of 5 each	500.00

Total 164 Prizes	\$1,500.00
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Suggestions should be sent to Mr. J. M. Switzer, ninth floor, Building 10, through the autographic registers, Deadwood check boxes, shop mail, U. S. mail, messengers, etc.

Pyramid heads, foremen, department heads, job foremen in factory, section heads in offices, and sales agents will not compete for these prizes. Suggestions from all other employees, both

here, at the factory, and in the selling division, will be considered in the prize distribution.

Each suggestion will be acknowledged, given a number, and then copied without signature.

The copy without signature will be sent to the head of the pyramid for investigation.

When the investigation is finished, report will be made to Mr. Switzer's office, and from there the employee will be notified whether or not the suggestion is to be adopted.

All adopted suggestions will be *considered* in awarding the prizes.

All the suggestions that are adopted from any one employee will be considered together, so that an employee might submit a number of small suggestions and still get a big prize. This means that no one employee will get two prizes in one award.

The pyramid heads will be the committee to select prize winners.

When the same suggestion comes from two or more employees, the one from whom it was received first will get the credit; so be sure to date and sign each suggestion with your own name and that of your department.

A complaint that leads to an improvement will be considered the same as a suggestion adopted, but as far as possible a suggestor should submit a suggestion in connection with his complaint.

TESTS OF A GOOD SUGGESTION SYSTEM

A suggestion system depends for its success on its equitable and fair basis. A firm must be willing to compensate for what it gets. There must be no attempt to get something for nothing. It has been contended, and perhaps with good reason, that a suggestion system which is based on the plan of \$2 per suggestion will never secure results. Suggestions should be handled by judges who are competent and who have the confidence of the employees. There may be embodied in the sug-

gestion idea an offer of promotion for the persons who submit suggestions which warrant this advancement. Wherever there are continued benefits from a suggestion, it is only fair to the maker that he get some share in them, if practicable. In other words, the policy should be to play fair with the men.

The carefully developed idea of suggestions awakens the desired spirit among employees. It can start a body of men thinking about the business with a desire to aid in its improvement, and it can make a corps of workers more useful to themselves and the business because they analyze their work in the hope of improving not only the business but themselves, and of gaining more concrete and definite knowledge of the business and its work, which means ultimately their own gain.

TEST QUESTIONS

1. Explain how the suggestion plan may be used to stimulate initiative.
2. What is one plan that Marshall Field & Company use for stimulating initiative and suggestions?
3. How does the National Cash Register Company encourage suggestions from their employees?
4. How does the National Cash Register Company distribute its rewards?
5. What form should such suggestions take?
6. What are the tests of a good suggestion system?

CHAPTER XI

ESPRIT DE CORPS

THE NEW ORDER

A score of years ago almost every person felt that when he was in the employ of another he was serving an apprenticeship and marking time until the opportunity should come for him to go into business for himself. Only the unsuccessful worked for others; his being employed stamped him as lacking in ambition. Here we have one of the important elements which marks the new order of things, for we find in the larger organizations positions of advantage that warrant the employee's staying. The opportunities for advancement in the large corporations have constituted an item to be reckoned with, for the man of superior ability attains a greater height in so-called "big business" than he formerly could reach operating a one-man business.

NEW BASIS OF LOYALTY

What is it that we can substitute to make employees feel the same interest they would have if their names were over the door? What is it that gives the continued loyalty of the employee towards the organization and keeps him as enthusiastic about his work as if he were the proprietor? There is only one basis for this loyalty, and that is the honesty of the employer toward the employee. This policy of honesty carried out insures the

fairness of both. From the square-deal policy comes a sense of stability and ownership which involves the same pride on the part of the employee as if he were the sole owner.

Not many years ago a man who was at the head of a small publishing house, and has since become successful, made the statement that when a person was paid on Saturday night, the obligation of the employer towards the employee ceased, and the account was completely balanced. He has probably changed his views since that time, which seems to be proved by his measure of success; but if he has not, his organization cannot be sound, because *no successful or stable business can be built around a misconception of ideals.*

That very fallacy, though now dispersed, formerly had many followers. In its place there exists a new brand of service. The burden rests upon the employer to take care of those working for him and to bring the employee's interest into harmony with his own, in order that the worker will see that it is clearly to his advantage to give to his uttermost for their common good. And the employee, on the other hand, because he is striving for more money, continued advancement, and the satisfaction of work well done, coöperates with the employer in order that both may obtain the greatest returns from the common jackpot into which each has cast his stakes.

EMPLOYEE REPRESENTATION IN MANAGEMENT

A striking example of modern-day ideas is that which obtains in the organization of the Filene Stores in Boston. A number of years ago that corporation introduced a system of coöperative management by which its employees were represented in the administration of the business. It was done because the owners appreciated that the

men and women working for them could be helpful in shaping the policies of the organization as well as in executing them and because they had the confidence in themselves to pass authority to others in such manner and in such spirit that it would not be abused.

THE FILENE COÖPERATIVE ASSOCIATION

The employees of the store make up the Filene Coöperative Association, which has an active part in the control of the employees. The association has the privilege of initiating or amending any rule that affects the efficiency of any employee in the store. A rule, in order to be effective, must be approved by two-thirds of the members of the association. It is then subject to the veto of the president or board of managers of the company, but if vetoed, the rule may yet become effective in spite of such veto if at a mass meeting of the Filene Coöperative Association it is again passed. Such a plan, at first blush, seems revolutionary because apparently it abridges the right of the owner of a business to fix arbitrarily the disciplinary measures affecting its employees. Its successful existence for a number of years proves the efficacy of the plan.

The association is incorporated and as such is a stockholder in the company; it has operated a bank for more than fifteen years. An important feature of this plan of self-management is an arbitration board, to which are referred all problems of discipline affecting the employees.

The Filene Coöperative Association also controls the welfare work of the organization. There is a health and death insurance department and a medical department with physicians who look after the health of the workers, while library and entertainment committees look after

other branches of the welfare work. The head of the welfare department is the F. C. A. counselor, who has charge of the clubhouse and other branches of social work.

RESULTS OF MANAGEMENT SHARING

The spirit back of this unique scheme of the Filene Stores might well be applied to every business that expects to secure the loyalty and undivided interests of its employees. It is scarcely possible for every organization to go as far as the Filene Company in turning over its employment questions to its workers; but where some portion of it can be turned over, the greater will be the gain toward having the ideal spirit in an institution.

There are other plans more or less complete for enlisting the employee's support in the problems of management. A very democratic system is the federal plan of management sharing in operation at the Printz-Biederman Company. The company has a representative form of government modeled after the federal plan. The legislative branch consists of two branches, the house and the senate. Membership in the former is by and from the body of workers; in the latter it consists of foremen, forewomen, and superintendents. The legislative body deals with the policy functions of management *within* the plant, including shop discipline, hours of work, working conditions, earnings, and promotions. The cabinet consists of the officers of the company, while the judiciary in the form of the betterment committee and board of review is appointed.

Thus plans for self-expression among the workers are in actual operation.

If we pride ourselves on our freedom of government and our principles of democracy, then why not bring

these same ideals into our business? Why should not a body of intelligent employees be competent to determine the fair rules for its government in a business? And will not the employer secure greater loyalty and greater coöperation in proportion as he gives to the employee the opportunity for sharing in the management and operation of the business?

TEST QUESTIONS

1. How do the opportunities for a man of superior ability compare in a one-man business and in large corporations?
2. In what way is loyalty to the organization obtained?
3. Is it true that no successful or stable business can be built around a misconception of ideals? Explain.
4. What is the purpose of employee representation in management?
5. Explain the powers and duties of the Filene Coöperative Association.
6. Explain the essential features of the federal plan of management sharing at the Printz-Biederman Company.
7. What is the probable future development of this democracy in business?

CHAPTER XII

VACATIONS

BASIS OF VACATIONS

A vacation should not be looked upon by the employer as a favor which he is extending to the employee or only as a reward for the work that has been done, but it takes its place as a part of the new scheme of efficiency. It is because of this period of rest, relaxation, and change that the employee gives better work. What the employer should endeavor to secure is that the vacation be spent in a manner which brings to the employee the greatest degree of recuperation and returns him to his place prepared to take up another year's work; it should be a time of recreation, reinvigoration, and healthful pleasure.

LENGTH OF VACATIONS

It is now generally taken for granted that the period of vacation means two weeks for those who have been in the employ of a company one full year, to June 1 or some other fixed date, and one week for those who have been employed six months. Some firms allow one working day for each month's service less than one year.

There has been a tendency on the part of some employers to add to this period extra time as a reward for efficient work, and on the part of others additional time is given for those whose employment is particularly charac-

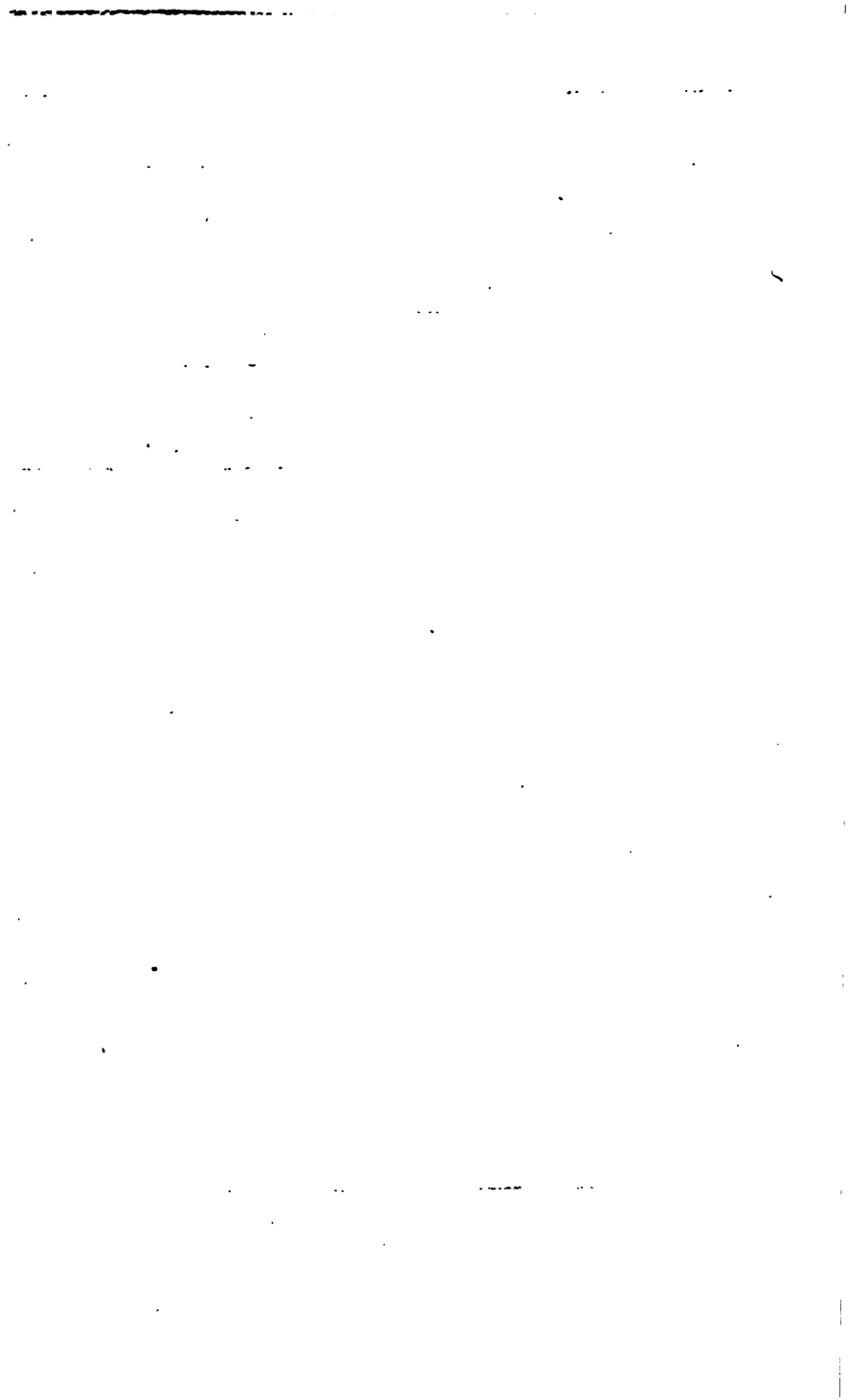
terized by length of service; as, for example, an extra week for those who have been in the employ of the company for five years or more, and an extra two weeks for those who have been in the employ of the company for ten years or more.

Undoubtedly, a method of increasing the efficiency of employees is the extra day allowance for good work done. Among certain banks there has been adopted a plan based on the small number of errors that have been made in work and on punctuality and regularity in regard to hours. It allows to those having the best records extra days of vacation, which may be taken either at the regular vacation period or at any other time that may be convenient to employer and employee.

TIME OF VACATION

There are, for obvious reasons, different plans as to the time when vacations should be given. Ordinarily it depends upon the nature of the work. While the summer time is generally presumed to be the desirable season for a vacation, in some companies where the nature of the business demands the full working force during the summer months, employees have found other periods of the year equally satisfactory. In some very large organizations vacations go on continuously, as it is impossible to let enough employees leave at one time in order to crowd into the usual two months of a summer the vacations of all.

As regards the choice of time as to when vacations shall be taken, the general rule has been that those who have been longest in the employ of the company shall have first choice, but there is latterly a growing tendency to give the choice of periods not in the order of seniority of service but to those whose records show the highest



percentage of improvement. It is another aim to reward efficiency.

VACATION SCHEDULE

In order to handle work to best advantage during the vacation season, an office manager should see that the vacations of employees are carefully planned and coördinated. Each department head should plan the vacation schedule in his department to suit the needs of his work and the conveniences of his employees. The schedules of all the department heads should then go to the office manager for comparison and adjustment. Some sort of chart as, for example, that given in Figure 15 will prove a great aid in keeping track of vacations and planning work accordingly.

THE EFFICIENCY VACATION PLAN

There has, however, recently come into vogue a so-called "efficiency vacation plan." One of the first concerns to inaugurate this method was the Elliott Fisher Company. Its factory and all its offices were closed for two weeks during the summer, and the entire organization took a vacation at one time. A clerk was necessarily left in each office to answer telephone calls and to do such work as absolutely could not be delayed.

Wherever such a plan as this is possible, there can be no question as to its value to a corps of employees. Furthermore, it eliminates all the inconveniences which result in adjusting work and furnishing substitutes under the usual plans. The difficulty, of course, is that in certain classes of business it is impossible for the wheels of the organization to stop running entirely for any length of time, and this fact has given rise to another plan, namely, giving one-half the force a vacation for

the first two weeks of a month and the other half its vacation for the second two weeks, making a half-efficiency vacation extending over one month instead of two weeks.

Whatever plan of vacation is adopted, the endeavor should be made to engender the idea among employees that the time thus spent should be advantageously invested; at least it should be so spent as to remove the employee from the class to which Mark Twain referred when he said that there were two times when a person needed a rest, *just before* and *just after* his vacation.

TEST QUESTIONS

1. Upon what basis should vacations be granted?
2. What is the prevailing practice in regard to the length of vacations?
3. What special considerations may modify the length of vacations?
4. How is the question of time of vacation best handled?
5. How may the office manager represent his vacation schedule for clearness and convenience?
6. Describe the efficiency vacation plan.

CHAPTER XIII

ENCOURAGEMENT OF SAVINGS

There is a wide difference of opinion as to how far a business organization should go in the matter of that branch of welfare work which is concerned with the savings of employees. There can be no question, of course, that the most successful workers are those who have acquired habits of thrift and that the most unsatisfactory workers are those who are continually requiring money between pay days. Many an employee of ordinary merit has been put on the road to success simply by the starting of the independence that comes with saving.

PURPOSE OF ENCOURAGEMENT

There is an annoying unpleasantness which has to be contended with constantly in large offices; namely, that employees fall into the clutches of the so-called "loan sharks," who are willing to advance money on salary and are a source of endless trouble to both employee and employer. The attitude of many, in fact nearly all, companies is to caution their employees against the borrowing of money from loan agents at exorbitant rates. It leads to filing garnishees, assignments of wages, and so on, which of course bring the company into the matter. There may be times when it is perfectly legitimate to be in need of extra money, and an office manager would invariably rather intercede with the company on behalf

of a deserving employee than deal with the trickeries of the loan shark.

SAVINGS BANKS

The operation of savings banks by industrial institutions has not met with favor, not even when they have been conducted as a separate company and called by some other name. It offers to the employees grounds for suspicion; in addition it smacks of paternalism and from the employees' point of view seems to lack dignity.

However, many institutions successfully coöperate with savings banks by making it convenient for employees to deposit or withdraw their savings at the place of employment.

EMPLOYEES' BENEFIT ASSOCIATIONS

There are, however, certain features in which a business may become interested to further the savings of its employees. Extra funds are usually required in times of emergency, such as sickness, or death, or for the establishment of something permanent for the employee, such as a home. Any savings plan which covers these features can be made the work of a commercial institution and may receive, if properly carried out, the coöperation of the employees. There is an excellent plan in force in the International Harvester Company; it is best explained in the words of their report:

In the summer of 1908, a special committee appointed by the officers of the company completed their work in connection with the formation of a benefit association, and on the first of September of that year the company announced the establishment of its Employees' Benefit Association. To a large extent this association has been the means of relieving the minds of its members from financial worries when they are disabled on account of

sickness or accident, and many widows and fatherless children have been cared for during the period of readjustment after the breadwinner had been taken away.

The membership in the association is purely voluntary, and as an indication of how the employees appreciate its benefits, 29,957 men and women were on June 1, 1912, enrolled as members. This association is governed by a board of thirty-two trustees, sixteen of whom, representing the different works, etc., are annually elected by the members of the association and sixteen are appointed by the board of directors of the company. The board of trustees appoints a superintendent to manage the affairs of the association in accordance with its regulations and their directions. Medical examiners are employed by the association, one examiner being stationed at each of the company's works. Their duties are to make physical examination of applicants, prepare application blanks, visit the disabled members, and decide when they are sufficiently recovered to return to work, or whether their disability is of such nature as to prevent them from resuming their customary duties.

The contributions of the members support the association. The company, however, made the following standing offer: that it would contribute each year the sum of \$25,000.00, provided 50 per cent of the employees in the works joined the association; and that it would contribute \$50,000.00 each year if 75 per cent of the works' employees joined. The employees were quick to see the great advantages resulting from membership in the association and the company has been called upon for, and has gladly paid, the sum of \$50,000.00 each year. In addition to this cash contribution, the company furnishes the needed clerical assistance at its various works, agencies, etc.

The contributions made by the members and the benefits paid by the association are as follows:

Class B. Composed of the men and women employed in the works, twine mills, lumber mills, steel mills, mines, and on the railroads.

The contribution of members in Class B is $1\frac{1}{2}$ per cent of their wages, and the benefits paid are:

1. For disability resulting from sickness, half wages after the first seven days for a period not exceeding fifty-two weeks.
2. For disability from accident received while *off duty*, from time of injury, for a period not exceeding fifty-two weeks.
3. Death resulting from sickness, one year's wages. Death resulting from accident *off duty*, two years' wages.
4. Loss of one hand or one foot, one year's wages.
5. Loss of both feet or both hands, or loss of one foot and one hand, two years' wages.
6. Loss of one eye, half year's wages.
7. Loss of both eyes, two years' wages.

This association does not provide benefits for accidents received while on duty to members of this class as they are fully covered by the company's Industrial Compensation Plan.

Class A. All other employees of the company, such as general office employees, sales and collection departments, etc., are members of this class.

Their contribution is $1\frac{3}{4}$ per cent of their wages. They receive the same benefits as do the members of Class B, and, in addition, benefits for accidents received while on duty. These additional benefits are: half-pay for disability for a period not exceeding fifty-two weeks, and in the event of death (from accident received while on duty), two years' wages.

The regulations are safeguarded so that the rights of all its members are fully protected. No benefits are paid to members who are sick or disabled due to the use of intoxicating liquors or unlawful or immoral acts. The importance of this association is graphically reflected by these few figures showing what the association has done for its members from September 1, 1908, to June 1, 1912:

Five hundred and fifty-one members have died (496 from sickness and fifty-five from accidental causes), and their beneficiaries have been, and will be, paid the sum of.....\$421,657.75

Nineteen thousand, four hundred and ninety-six claims have been paid for disabilities resulting from sickness and accident, amounting to.....	422,003.82
Twenty-two special benefits paid, amounting to....	11,837.37
	<hr/>
	\$855,498.94

The International Harvester Company has contributed during 1909, 1910, and 1911.....	\$150,000.00
The surplus of the Association at December 31, 1911, was	\$241,859.36

MUTUAL RELIEF ASSOCIATIONS

In the United Shoe Machinery Company the employees have the Mutual Relief Association; the fees are nominal and are graduated according to the earning capacity of the members. Each member of the association is given substantial assistance when sick or injured. The salary of the secretary is paid by the company; for each death \$200 is paid; every officer, including the board of directors, is a worker in the plan. There is in force in the state of Massachusetts a law which combines savings and insurance through savings banks. That method of saving is approved and encouraged by the United Shoe Machinery Company, and in a recent report made by that company four hundred and two of its employees had joined in this method of saving. The limit allowed under each policy is \$500, and the workers in this plant have in every case subscribed for the full amount.

There can be no disapproval of this form of saving by the workers because it is free from any dependence upon the employer. To make it easy for the workers to save in this way, the company allows the men to make use of an order on the pay roll which authorizes the company to deduct a certain amount from the worker's wages and

pay the sum so deducted into the savings bank as a monthly premium on the insurance policy.

HOME BUILDING

Another reason of a need for saving is that the building of homes should be encouraged by all employers. Again the United Shoe Machinery Company is cited as an illustration. In that company an arrangement has existed for some time between the company and its workers which permits the latter to gain possession of their homes with little financial strain. Without going into the real estate business, the company has always stood ready to assist its workers. The homes are built by a separate company and turned over to the worker on a reasonable basis, and the payments arranged in such a way that they can be taken care of with the coöperation of the company. The employee is guaranteed that the retention of his home will not be questioned or affected in any way should he leave the employ of the company.

GENERAL PRINCIPLES

The specific methods and plans for aiding or encouraging savings, sound investments, and ownership of homes are as varied as the conditions at different institutions. Generally, however, it is desirable to operate any definite plan by means of employees' associations. Great care should be exercised to have the plan fully understood and to avoid all appearances of offensive paternalism. Usually a company can well afford to give its active support and enough financial aid to a plan to make the adoption of the plan and individual participation in its benefits desirable and profitable.

TEST QUESTIONS

1. How far should an institution go in encouraging savings among its employees?
2. Why are employers especially concerned about keeping their employees out of the clutches of the so-called "loan sharks"?
3. What are the difficulties with a savings bank system?
4. What are the main provisions of the Employees' Benefit Association of the International Harvester Company?
5. What are the methods used by the United Shoe Machinery Company for encouraging savings among its employees?
6. Should the savings and benefit operations be carried on directly as a part of the activity of a company, or by means of separate organizations? Why?

CHAPTER XIV

MAKING EMPLOYEES STOCKHOLDERS

SCOPE OF THE PLAN

The advisability of a profit-sharing system embracing all those employed has not been conceded as yet. Experiments in this branch of coöperation have not met with the success hoped for. Profit-sharing is a satisfactory arrangement for department heads and those high enough up in the institution to be interested in the question of *investments*. The ordinary worker is not very much interested in anything except his immediate salary and what it will bring him. He is not willing to sacrifice anything and wants to win all the time, and the only way that he might be interested would be upon a guarantee of continuous profits; he does not care to risk the ups and downs of trade.

Many of the attempts heretofore made to insure greater coöperation of employees by means of stockownership consequently have not met expectations. However, perhaps some of the lack of success in the attempt to make employees stockholders and allow them a share in the profits is due to the method in which it has been tried. Usually, the employee cannot pay for his stock outright, and any plan for stock ownership must naturally embody the feature of partial payments. In some cases where men have left their employers before their payments had been completed, the penalties which have

been exacted have been severe, and the chance of loss has consequently prevented employees from entering into the plan with eagerness. In many cases the stock has been granted to the employees as a favor, and wherever this has been done, it naturally could not be successful.

PURPOSE OF PROFIT-SHARING

The fundamental idea of profit-sharing is that the wages which are paid to an employee are not all that is due him as his proportion of the earnings of the combined investment of labor and capital. Every worker puts something else into the company's stock of goodwill and prosperity which he does not get back in wages and in which he has no share. The true idea of the profit-sharing plan is that in return for this extra something for which he is not paid, the obligation is reduced by granting him privileges in becoming a shareholder.

Some economists go even so far as to advise that so much of the stock of a company as shall be covered by what is commonly termed "goodwill" should belong to the employees, inasmuch as they make up this goodwill or make it possible. On such a plan, the goodwill stock would belong to the employees, and the dividend on this would be distributed among them.

It is most desirable, however, that persons working for an organization should have that proprietary interest which is given by ownership, and any plan which can bring this about in a method which is satisfactory to the employees and gain their support and coöperation cannot help working out to the advantage of the organization.

A COMPREHENSIVE PLAN

One of the first companies to adopt the profit-sharing plan of distributing its stock among its employees was

the International Harvester Company. Their method is typical of that used by a number of large corporations; hence it is quoted:

The company desires all employees, upon whose efforts the success of the business depends, to have a share in the profits. To this end it offers to them an opportunity to subscribe for its stock, which is divided equally into preferred and common stock. The preferred stock is entitled to dividends at the rate of 7 per cent per annum, payable quarterly, before any dividend is paid on the common stock. No dividends have as yet been paid on the common stock. This offer is made upon the following conditions:

First. All subscriptions shall be for one or more shares of preferred or common stock, or both, at the expressed option of the subscriber, at the price of:

\$115.00 for each share of preferred stock; or

\$ 75.00 for each share of common stock.

Second. Each officer and employee may subscribe for an amount not exceeding his annual wages or salary. An aggregate amount of 12,500 shares of preferred stock and 15,000 shares of common stock is available for subscription. In case the total subscription exceeds the amount of stock for allotment, then the subscriptions received will be scaled as determined by the finance committee.

Third. Payment for the amount of the stock allotted to each subscriber shall be made in monthly installments, to be deducted from the subscriber's salary or wages in such amounts as he may desire, provided that the minimum monthly installment shall be \$1.50 per share for preferred stock and \$1.00 per share for common stock, and that no installment shall exceed 25 per cent of a month's salary or wages. It is desired that subscribers will pay their installments in even dollars; and if more than the minimum monthly installment is paid, it must always be in even dollars. The subscriber may have not exceeding five years within which to pay his subscription. Interest at 5 per cent per annum will be charged on deferred payments.

Fourth. From the date on which payments begin, and during the continuation of said payments, dividends on the stock will be credited to the account of the subscriber as part of his payment until his subscription is fully paid and the stock is issued to him; and thereafter the dividends will be paid in the same manner as to other stockholders.

As soon as the subscription shall have been fully paid, the stock will be issued to the subscriber; but when an allotment includes both preferred and common stock, no certificate will be issued until the entire subscription is paid, and then certificates for both classes of stock will be issued and delivered.

Fifth. As an inducement to each subscriber to make his payments regularly until the amount subscribed is fully paid, and to retain his stock thereafter, and to remain continuously in the employ of the company, or of one or another of its affiliated companies, and to have and show the active interest in the business of a stockholder or working partner, the following offer is made:

A special allowance of \$4 per share on subscriptions for preferred stock and \$3 per share on subscriptions for common stock, in August of each year, for five successive years, commencing with August, 1910,

- (a) will be credited to each subscriber whose subscription is still in force but not yet fully paid, and
- (b) will be paid in cash to each subscriber who has received the stock subscribed for, and still owns it all, and exhibits each year the certificate thereof to the treasurer of the company,

if such subscriber then presents to the treasurer a certificate from a proper official that the subscriber has been continuously in the employ of the company, or one or another of its affiliated companies, during the preceding year, and has rendered satisfactory service, and has shown a proper interest in its welfare and progress.

Sixth. If the subscriber shall remain continuously in the service of the company, or of one or another of its affiliated companies, for five years from the date of his subscription, the company contemplates that at the end of the fifth year he may receive a

still further allowance, which cannot now be ascertained or stated, but which will be derived as follows:

Any subscriber, who discontinues payment at any time before his subscription is fully paid, will not receive the \$4 or \$3 per share, but such \$4 or \$3 payments will be made annually into a special fund. This fund will be credited with 5 per cent annual interest, and at the end of the five years' period the total amount thus accumulated will be divided into as many parts as shall be equal to the number of shares of preferred stock plus two-thirds of the number of shares of common stock then remaining in the hands of the subscribers who shall have continued in such employ for the whole five years. The company will then award to each subscriber as many parts of such accumulated fund as he shall be entitled to on the basis of the number of shares then held by him under this plan; i. e., one part for each share of preferred and one part for each one and one-half shares of common.

Seventh. If a subscriber shall leave the service or cancel his subscription before it has been fully paid, or discontinue his regular monthly payments without the consent of the company for a period of three months, in each case his account will be closed forthwith and there will be returned to him the exact amount which he has paid on his subscriptions with interest thereon at 5 per cent per annum from the time of his payments to the date of the closing of his account, and thereupon his subscription and all interest in the stock to which it related shall cease and determine, and he shall be entitled to no credit or other payment whatsoever on account thereof. A cancellation of part of a subscription will operate as a cancellation of all, whether the allotment has been in common stock or preferred stock, or both.

PROVIDED, however, that if the head of the department in which the subscriber is employed shall certify that he has left his employment without fault on his part, or that such cancellation of his subscription or such discontinuance of monthly payments was due to causes beyond the subscriber's control, and shall recommend that the subscriber be given such an amount of stock in even shares as the sum of his payments theretofore made and 5 per cent interest thereon will pay for at the original purchase

price with interest thereon at 5 per cent (less any dividends collected on such shares), then the subscriber, at his option, may receive such number of shares together with the balance, if any, in cash; or he may receive the amount of such payments and interest all in cash, as above provided.

Eighth. If during such five years' period, a subscriber becomes permanently disabled or dies while faithfully serving the company or one or another of its affiliated companies, the company will, at the option of the subscriber, or (in case of his death) of his estate, turn over to him or his estate either the money theretofore paid by him on account of the stock he was purchasing, and 5 per cent interest, together with a sum equal to \$4 or \$3 per share (for preferred or common, as the case may be), for each of the five years then expired; or it will deliver such an amount of stock in even shares as said total sum will pay for at the original purchase price, with interest thereon at 5 per cent per annum, less any dividends collected on such shares.

Ninth. The subscriber may designate in his subscription the person to whom, in the event of his death, he desires the company to pay all amounts in connection with his subscription or deliver the stock which would otherwise be paid or delivered to his estate. When such designation has been made, the company, upon satisfactory proof of death under the conditions of the subscription, will pay to the person designated, if then living, all amounts in connection with the subscription which would otherwise be payable to the estate of the subscriber. When such designation has been made, the subscriber's estate shall have no claim to any such amounts, unless the person designated shall have died before the subscriber, and in that event payment will be made to the subscriber's estate. By written notice delivered to the treasurer of the company, the subscriber may change the person designated.

Tenth. Subscribers whose employment may be suspended by reason of the temporary closing of a plant and who shall continue ready and willing when required to resume their services, will not be deprived of the annual bonus of \$4 or \$3 per share, as the case may be, during such suspension; nor will this interfere with their accepting employment elsewhere during such suspension.

As presumptive evidence of their willingness to resume their employment, the company will accept:

1. From the holders of fully paid subscriptions, the presentation to the treasurer in August of each year of the original stock, and
2. From the holders of partly paid subscriptions, the retention by them of their subscriptions during the preceding year, and full payments thereon up to the date of such suspension.

The above period of suspension will not be counted as part of the five years limited for the full payment of the subscriptions, and during such suspension monthly payments will not be required, though they may be continued if so desired by the employee. Failure to present the original stock as provided, or the cancellation of a partly paid subscription, or the failure to resume employment when requested, will constitute conclusive evidence of the termination of his employment by such employee.

In case of the death of any such subscriber during such suspension, his estate or the person designated by him as above will be entitled to the same benefits accruing to his subscription as if he had died while employed.

Eleventh. All subscriptions shall be made with the express understanding that the decision of the finance committee of the International Harvester Company at all times shall be final with respect to the rights of the subscribers, and all questions relating to the same. The words "stock" and "stockholder," whenever used herein, signify stock trust certificate and the holder thereof.

Twelfth. Subscriptions will be received until August 15, 1909, and allotment will be made a few days later. The first deductions will be made from August (1909) salary or wages.

The foregoing outline presents the conclusions of a very carefully considered plan in successful operation. It is suggestive and may well serve as the basis of any firm's consideration of a plan for interesting its employees in stock or bond ownership. In general, it may

be said that such plans prove more successful with stocks of fairly steady or advancing market value and regular or increasing dividend rates than they do with highly speculative stocks. A disappointment in the investment may have anything but the desirable effect which is contemplated in any plan of employee stock ownership.

TEST QUESTIONS

1. Why is profit-sharing for all employees not advisable?
2. For what class of employees is profit-sharing a feasible plan?
3. What are the chief difficulties in interesting employees in stock ownership?
4. What is the fundamental purpose of profit-sharing?
5. Upon what terms did the International Harvester Company permit members to stop their subscriptions?
6. What inducements did the company make for encouraging continued ownership in the stock?
7. What provisions were made if the subscriber cancelled his subscription?
8. What are some of the qualifications of a security well adapted for interesting employees in company ownership?

CHAPTER XV

PENSION SYSTEMS

There has been an endeavor within the past few years to arrive at an equitable solution of the question of what shall be done with the employee who has been connected with an organization for a number of years, who has worked out his days of usefulness in that institution and has reached the point where he is no longer of value to his employer. Years ago the answer would have been to dismiss him ruthlessly; if a worker had not put by the money to take care of himself, that was his own fault, he should have been foresighted enough to have saved up something for his old age.

REASON FOR PENSIONS

This conclusion is no longer accepted under the present ideals of business economy and business efficiency. We may contend that a man should provide for his old age. We know, however, too well that the majority of persons do not, and consequently American business is accepting the situation as it finds it and in so doing furnishes still another piece of evidence of the desire to give the worker his proportionate share of industrial earnings. And why should not the attitude of the American business man be to provide for the worker who has spent the best years of his life in his employer's organization and who finds himself dependent at the time when he is no longer

able to keep pace with the demands of modern business for efficient work? If this is a condition which confronts American business as a whole, why should not the master of the industrial household lay aside sufficient to care for those of his servants who have not been provident; at least, let this be our contention until our government enacts measures embodying some of the old-world systems of compulsory insurance to provide against old age, sickness, and invalidity. Why should the employee save his money when all his training leads to the conviction that his steps are leading him onward and upward? As a nation, we are prodigal with all our resources, thus is it to be wondered at that individually some of us are spendthrifts?

A CONCRETE PLAN

The movement is general throughout the commercial world. The plan of the International Harvester Company embraces the salient features of adequately pensioning old and faithful employees. It is as follows:

All male employees who have reached the age of sixty-five years and have been twenty years or more in the service may at their own request, or at the discretion of the pension board, be retired from active service and become eligible for a pension.

Employees reaching the age of seventy years shall be retired. This age limit is effective for all employees excepting those occupying executive positions.

Women employees may be retired at the age of fifty years, but must be retired at the age of sixty years.

The amount of the pension is based on the length of service and the average earnings of the employee. For each year of service one per cent of the average earnings for ten years past is paid. For example, if an employee has worked thirty years and his average earnings for the last ten years were \$1,200 a year, his

annual pension would be 30 per cent of \$1,200, or \$360 per year. This pension continues during his lifetime. No pension is granted for less than \$18 per month or more than \$100 per month. The pension plan is administered by a board of five men, appointed by the directors of the company. On the first of June, 1912, 140 employees had been retired on pensions.

The life story of many of the pensioners is the history of the harvesting machine industry. Some have been on the pay roll for over forty years and have seen at close hand the development of agricultural implements from the early crude reaper to the complicated and efficient harvesting machine of to-day.

Many employers who have pension plans have been repeatedly asked if pensions pay. From a purely financial standpoint the answer has been "no," but from the human side, "yes," a thousand times. Pensions give employees a sense of security for the future, cement an organization, bring the employer in close personal touch with his men, and, in fact, unite the two on a ground of common interest.

The I. H. C. pensions are paid solely from the treasury of the company and no contributions are received from the employees. On January 1, 1912, the pension fund amounted to the sum of \$1,027,719.27. This has been accumulated by the annual appropriations of \$250,000 made by the company during the past four years. The income from this fund has been sufficient each year to meet the annual pension requirements.

The plan of the International Harvester Company is only one case of the concrete embodiment of the pension idea adapted to a given situation. Pension systems have become a regular feature with many of the best-managed corporations. They aid in the maintenance of loyalty and continuity of services. Often they furnish an incentive for continuing in the employ of a firm long after the available lines of promotion have become exhausted.

TEST QUESTIONS

1. What has been the prevailing attitude with respect to pension systems for employees?
2. What are the chief reasons advanced for employee pension systems?
3. What are the retiring age limits for men and women under the pension plan of the International Harvester Company?
4. How are the amounts of pensions determined under the plan of the International Harvester Company?
5. How is the pension fund of the International Harvester Company maintained?
6. What are some of the recognized advantages to a corporation of a well-established pension system?

CHAPTER XVI

WELFARE WORK

MOTIVES AND RESULTS

Welfare work redounds either directly or indirectly to the material benefit of the employer. He may gain what satisfaction he can in the pretense of being prompted by motives of philanthropy and humanitarianism, but it is plain that whatever benefits the conscientious worker who gives his all in the service of his employer receives cannot help benefiting the latter. Even assuming that the employer is genuinely sincere in promoting and providing for sanitary working conditions, educational classes, recreation, homes, and provident funds, the economic value to the employer cannot be questioned.

Moreover, when one reflects upon the pure charities of the professional man, the physician who, for services in healing the sick and the needy, charges up to profit and loss innumerable small amounts which total no inconsiderable sum in a year's time, and the lawyer who gratuitously saves for the poor woman her mortgaged home or who gratuitously collects for a household servant damages sustained through the carelessness of an employee of a large transportation corporation, perhaps it is only fair to figure the welfare work of the captain of industry as his share in the balance of the business, social, and industrial scales of justice. Admittedly, the

constructive work of the welfare department constitutes its own justification, whether from the mercenary point of view or from the standpoint of kindness, sympathy, and generosity. The true purpose of welfare work is to prevent illness, to cultivate health, to develop integrity and ability, to increase capability, to further economic independence, to inculcate principles of thrift and savings, and to insure against stress and charity for the ever possible rainy day.

FORMS OF WELFARE WORK

Much of that part of welfare work which benefits the employer directly has heretofore been covered under other headings. It is so intrinsically a part of the physical plans of the office, so fundamentally involved in the training and education of employees, and so interwoven with the principles upon which is based the computation of the workers' compensation that those subjects necessarily have covered much that belong equally to the general subject of welfare.

HEALTH

Welfare work separates itself naturally into distinct fields of endeavor. One recognizes that the first aid to the efficiency of industrial undertaking is the health of those concerned, and to secure the good health of his workers the employer has long appreciated the advantages of correct sanitation, proper lighting facilities, and comfortable conditions of heating and ventilation. The universal recognition that efficient working conditions of an office are essential to good work has developed untold consideration for the pressing necessities for the physical well being of the workers. Consequently, under the welfare directors, there have been added lecture

courses on hygiene; physical examinations of employees, which eliminates contagious and infectious diseases; the presence of an oculist during certain days of the week; emergency hospitals to protect against accidents or sudden illness; the continuous presence of physicians and nurses who give first aid when required; rest rooms, especially where women are employed; and lunch rooms divided into departments where employees may secure proper food at a price commensurate with their income.

Somewhat recently the Interborough Rapid Transit Company in New York, because its employees are so scattered, advanced so far as to adopt two new measures, namely, the establishment of bakeries and food supply stores operated by the company to enable its employees to secure the benefit of the lowest prices for necessities and to offset in a measure the continued increase in the cost of living. That company also provides visiting nurses who go to the homes of its employees, when absent on account of sickness, with authority to furnish at the company's expense whatever may be necessary in the way of food and medicine.

The National Cloak & Suit Company having in its employ such a large number of women and girls, furnishes in stormy weather umbrellas, rubbers, and dry clothing to those who may have arrived at the office after having been caught in the rain and whose health might be seriously endangered by working in wet clothing.

EDUCATIONAL WORK

It would be impossible to estimate the number of persons who owe their financial independence to training received while on the pay roll of some person or concern. Education, as viewed by moderns, is a practical thing, an

active working basis for living. It used to be learning to do; now it is doing to learn. In fact, the vocational expert aims to dispel the illusions of the academical theorists and to make of learning an asset, something that the earnest, conscientious person may convert into dollars and cents.

The educational work of the welfare department comprises the training that is given to the employee to improve his present work and the preparation that is offered him for a higher and better position, which may further his personal advancement. Many of the schools in more or less of the larger organizations go even further than covering the work of the establishment and provide continuation schools for the advantage of those who have been compelled to interrupt their education and enter the ranks of the workers.

SAVINGS

The habits of thrift encouraged by employers are, no doubt, the basis of the economic independence of many others. Provisions for employees sharing in the earnings of a business stimulate an incentive which may relieve the employer of the responsibility of placing many names upon his pension list; and assistance given to employees in securing permanent homes for themselves and arrangements providing the means for loans when exigencies may demand, help along the desire of the employee for independence.

INSURANCE

The insurance features of welfare work provide against the wants of old age and against the unusual and unexpected demand of sickness or accident; this safety is gained as an additional recompense from the employer

who is broad-minded enough to convince himself that something more than a day's wage is due to the worker.

RECREATION

Even though he has no genuine authority over the employee outside of his office hours, the employer recognizes that the manner in which this time is spent does influence the hours of work and that better results are secured when the time of relaxation is passed in a way to give the healthy mind in the healthy body. Convinced that all work and no play makes Jack a dull boy, the employer offers to his employees the possibility to secure at the minimum expense an opportunity for healthful sports and games ordinarily only within the means of those who have a full purse. Under the head of recreation there is apparently no limit to which employers have gone in providing the workers with advantages which, if accepted, assure him of health and happiness.

The United Shoe Machinery Company, for the nominal charge of \$1 per year in dues to its members, offers the use of a modern clubhouse containing bowling alleys, billiard and pool tables, large reading rooms supplied with the current magazines, a dining room where food is served almost at cost, a special department devoted exclusively to the use of the women, although they share the rest of the clubhouse with the men, a dance hall, a perfectly appointed theatre with scenery, a gymnasium fully equipped; all of which furnishes the social life for the company's workers. Three hundred acres have been set aside by the company to encourage the outdoor sports of the employee. Baseball, football, cricket, field sports, track sports, and everything that the athlete desires may be played. At the side of the clubhouse are tennis courts, and within easy walking distance is one of the finest

shooting ranges in the state. As the plant is located on the seashore, the motor boat enthusiasts have organized a club, erected a clubhouse, and purchased a fleet of fifty launches and sail boats. Regattas are held on Saturdays and holidays. All athletic activities are controlled by the employees, though on each board there is one official representative from the management of the company.

The National Cash Register Company, which has been one of the foremost advocates of benefiting the outside life of the worker, has, by the encouragement of outdoor gardens and the growth of shrubs and flowers, improved the entire neighborhood in which the factory is situated. Prizes have been offered both to their own employees and to outsiders in the community. Experienced landscape gardeners have been employed, lectures are given so that those who are interested may be able to secure the best results, and competent gardeners are employed constantly to give assistance wherever possible.

In the city of New York, roof gardens for recreation have been built atop some of the high buildings expressly for employees. The results are said to be highly beneficial.

The National Cloak & Suit Company furnishes a recreation room which may be used during the luncheon hour or after business hours for entertainments, dances, and lectures. It is equipped with a piano, a pianola, and victrolas.

All the different kinds of welfare work are simply a twentieth century organized channel through which men and corporations interest themselves further in their employees. Ultimately, all efficiency is human efficiency. The sooner that fact is appreciated by every office manager, the greater will be the office output and general

satisfaction. Whatever is undertaken must be constructive and on the aggressive.

TEST QUESTIONS

1. What motives lie back of welfare work?
2. What forms does welfare work assume?
3. What are some of the specific steps taken by employers for promoting the health of their employees?
4. How does the Interborough Rapid Transit Company aid its employees in securing wholesome food at reasonable prices?
5. What are the purposes of office educational work?
6. What are some of the concrete things undertaken by corporations for promoting wholesome recreation among their employees?

CHAPTER XVII

MACHINERY OF THE OFFICE

The uncertain element in an office has always been the human one, and the introduction of machine work has been a factor without which business expansion could not have reached its present state. The complexities of modern business operation were unknown a generation ago, and as expansion came details multiplied until it is impossible to conceive of doing by hand the work that is now accomplished by automatic machines electrically operated; and the fact that machine work adds accuracy, simplicity, uniformity, neatness, and speed has made the office less dependent upon the unreliable hand.

SCOPE OF MACHINE WORK IN THE OFFICE

The methods of operation have changed, and the employee now does easily by machinery what was formerly done laboriously by hand. There is hardly an operation in office work that cannot be done mechanically: letters are opened by a machine, the answer is dictated to a machine, it is written on a machine, and the finished letter is folded, sealed, and stamped by a machine. The order, as it passes through the many departments, need not receive so much as the scratch of a pen, but may be machine made. Books and office records are the work of machines; even the addition, subtraction, multiplication, and division that is required is no longer a mental process; machines do this work.

The messenger boy in the office is eliminated, as every message may be conveyed in any part of the establishment either in writing or by word, and the machine does the work. In the shipping room, machine-made records facilitate the movement of deliveries, and stencil-printed tags take the place of the marking brush.

The old, groundless fear which pervaded the minds of factory employees that the substitution of machines would lower wages and throw themselves out of employment, has likewise been dispelled as regards the installation of mechanical devices in the office. The enormous expansion of business in all branches and the extraordinary increase in production have caused the employment of more rather than fewer workers; and to-day there is a better opportunity for the skilled and efficient employee than ever before.

And, commensurately, the demand is for a higher order of mentality. There is a greater field for the mind that can plan and develop. Higher wages are possible, and advancement comes more quickly. No longer is an employee kept at one place in the organization on account of his mind's having been trained and developed for that place and no other. He moves from machine to machine, broadening and raising his own efficiency, the limit of his promotion measured by his own ambition.

DESKS AND CHAIRS

In the contemplation of all office furniture there are two elements to be considered. The prime need is that the machinery should be effective for the purpose for which it is planned; and everything, therefore, should be made subservient to this. There is, however, a secondary consideration, and that is the appearance of the office.

It is agreed among efficiency experts everywhere that the work of an office depends to a great extent upon its appearance and condition. Where the conditions are right, the class of work done naturally takes on a higher grade. A slovenly appearing office causes employees to be inclined to turn out a similar class of work. There has been a tendency among office furniture designers and the manufacturers of office machines to add to their product the element of high-class appearance. Nowhere has this been more evidenced than by the makers of desks and chairs.

There has been a marked improvement in the designs of recent years. The present inclination is toward sharp, square edges and clean-cut design, giving an air of substantial stability, while at the same time serving its purpose for cleanliness, which did not exist in the former styles.

ROLL-TOP V. FLAT-TOP DESKS

The old-style roll-top desk, with pedestal arranged with drawers reaching to the floor, has been superseded by the flat-top desk of sanitary construction, with the legs high enough to admit of the possibility of keeping an office absolutely clean. With the advent of filing cabinets and filing systems, which provided the proper facilities for taking care of every record and every paper each day, the roll-top desk with its pigeon holes and numerous compartments passed out. At its best it was never anything but a storehouse for papers so poorly arranged that access to them was inconvenient and classification of papers was impossible.

However, there are circumstances under which a roll-top desk may be found convenient and, consequently, for those cases there is a low roll-top desk now in use. The

pigeon holes and drawers are not of importance, but it does furnish an easily adjusted cover and safely locked receptacle for the use of such employees as may require it. Yet, for all ordinary work in the office, the flat-top desk is used. It increases efficiency, because it gradually becomes a habit on the part of the user to finish up each day whatever is brought to his desk and to return to the proper files what papers he may have had during the day's work.

SERVICE DESKS

There has been another change in desk construction. The old idea of the desk was to furnish as many drawers as possible. These were also storehouses for material which is better kept in the supply room or for papers which ought not to be retained at the individual desk. The newer desk has few drawers, and those drawers are designed for a specific purpose. They are no longer arranged on the old-style storehouse model. If desired, a vertical file drawer may be placed in one pedestal and card index drawers used to contain special individual files which may be better kept in the employee's desk than in the general file. In equipping one of the largest insurance offices in New York, the desks were built according to a special design; each drawer in the desk was arranged to carry out a definite purpose, and the desks when finished were really work benches for the employees.

The different filing cabinet houses are to-day manufacturing system desks, which consist of the regular desk top, but which permit the pedestals of the desks to be built up with regular filing cabinets, made in sectional form, so that any requirement can be met and sections may be interchanged if the future need demands. Such

a desk may contain vertical letter files, card indexes of various sizes, document files, legal blanks, and there may be any required sizes of drawers to carry out the exact work of the user.

BOOKKEEPING DESKS

On account of the change in bookkeeping methods, the old-style high ledger desk has also given way to a flat-top desk suitable for handling either loose-leaf books or card records. The old-style bookkeeper, perched on a high stool and bent over a high bookkeeper's desk, has been supplanted by the bookkeeper of to-day, who sits at a comfortable flat-top desk in a comfortable chair, which, of course, tends to increase his efficiency and to make his work, to say the least, less tedious.

The increasing inclination to use card ledgers occasioned the demand for a card ledger desk for bookkeeping purposes. The first styles of these were the so-called "tub-ledger desk"; the pedestals were, as the name implied, two tubs, connected by a suitable writing bed. The arrangement brings all the cards within easy reach of the operator and makes possible the handling of at least twelve thousand cards without his changing position.

An improved style of this desk arranges the pedestals in sections, with card-index drawers built one above the other. The pedestals are connected by a suitable writing bed, and in such an arrangement as this it is possible to have at least thirty thousand cards within reach of the operator. Such a desk is particularly well adapted for mail-order lists, stock records, insurance records, and cost accounting work as well as for ledger purposes.

STANDARDIZED DESK DESIGN

In order to give the best appearance to the office and also to provide for future changes, a standard of desks and chairs should be determined upon. There are at least four makes of desks, any one of which can be adopted as a standard throughout the office. All these lines are so extensive that they make possible the selection of the correct desk for every requirement and at the same time give the uniformity in appearance which is so desirable. It adds much to the effect of the office to have all desks and chairs uniform in style and appearance. Filing cabinets and other kinds of office furniture are built to match the grades mentioned, in their general appearance and finish.

FILING CABINETS

The first filing cabinets made were clumsy in appearance and were, from a furniture standpoint, not well designed. The original cases were built in solid form, the card drawers in various sizes, from one drawer up to sixty, and the vertical files from four to twenty. That style has been superseded, however, by the sectional idea of construction, which is absolutely necessary in all files, as they are constantly being added to; and the continual changes in the office require that the various stacks be added to or taken from. All filing cabinets are now made in sectional form, and the solid case has almost disappeared.

TESTS OF GOOD FILING CABINETS

It is decidedly advantageous to standardize on one make of filing cabinet and to continue its use throughout all departments of the office. A system started to-day

may be out of use in a year, and it should be possible to use in some other department, if required, every bit of equipment that has been purchased. The custom of standardizing on filing cabinets has become general among the larger concerns, because of the fact that on the old plan of buying from various dealers the equipment became obsolete or could not be used in conjunction with other files when changes were required.

Great care should be used in the selection of a standard. On account of the growth of the filing cabinet industry and the great increase in the use of files, many concerns have added the manufacture of filing cabinets to their lines and have produced only partly developed and poorly designed files. It is a notable fact that since the commencement of the industry, not more than six out of the number that entered the field have continued. When a line is adopted as a standard, the user should be assured that the files have been developed to such a point that there will be few changes and that the manufacturer is so reliable that additions may be secured when required.

The sectional idea of furniture depends for its success, from the user's standpoint, on the ability always to add sections which shall be identical with those in use. Nowhere is the reliability of the manufacturer of more importance.

While the filing cabinet is primarily a machine, and while this feature should be the principal one in determining the standard, the furniture element is of importance, because a file may be an attractive adjunct and should match in style with the desks, chairs, and other furniture.

All heavy drawers such as vertical file drawers should be on roller bearings. It has been proved by actual tests

that the old-style heavy drawers required 50 per cent more effort on the part of the user than the present style of roller-bearing equipment; it is a serious and important feature in a filing department where drawers are being constantly pulled out. In one office where roller-bearing drawers had been substituted for the old-style heavy drawers, it was found that the filing was done in half the time.

CARD-INDEX DRAWERS

Card-index drawers should not be furnished with suspension slides. The drawers are constantly taken out of the case and used on the desk, and the mechanism of the drawer slides naturally interferes with their easy removal. All such drawers should, however, be provided with stops on the backs to prevent the drawer from being drawn out carelessly and dropped. These stops are so arranged that the drawer can be easily taken out by tilting the front slightly. When card-index drawers were first used, rods were generally inserted to hold the cards in the drawer. There was an impression, which, by the way, continued usage has proved to be without foundation, that there was danger of the drawers being dropped and the cards disarranged. It is so inconvenient, however, to be constantly taking the rods out and putting them in, whenever the cards are referred to, that their use has been generally discontinued. Drawers are not dropped except in rare instances, and where such a thing occurs, it is usually at a time when the rod has been removed and the drawer is being used. In almost every case if a drawer with cards held in by a rod were dropped, the drawer would be broken.

There are certain cases, however, where rods should be used. Wherever an index is maintained which is

referred to by many people, the cards should be held in by a rod. The reason for this is that there is an inclination on the part of the user to take the card from the file; and where the responsibility is divided, because many are referring to the drawers, there is the accompanying carelessness in returning the card to its proper place. All libraries use the rod for their cards which are consulted by the public. All catalog files use the round rod, and card ledgers should have a rod which is locked in to prevent the taking out of the card except by the person who is absolutely responsible. The decision to use a rod or not depends upon whether the cards are referred to by more than one person and whether the responsibility for keeping the cards in their proper location depends upon more than one person.

WOOD v. STEEL

Originally filing cabinets were made only in wood, but there has been a remarkable development in the steel filing cabinet industry within the past few years. If the furniture feature is strongest, wood files are to be preferred; but if the filing cabinet is primarily a machine, the present steel files have undoubted advantages.

Originally steel files were not well constructed from the standpoint of filing cabinet efficiency. This was due to the fact that they were not manufactured by filing cabinet experts. Formerly, it was the case of a steel manufacturer making a filing cabinet, while at present it is a case of the filing-cabinet manufacturer making steel equipment. This change of condition has meant that the necessary appliances and accessories for a successful file have been applied to steel filing cabinets. The first steel files were not attractive; they were poorly designed from a furniture standpoint and did not have the rigidity, ease

of operation, and noiselessness which are the requisites of a satisfactory file. The improved conditions in the steel furniture industry and the developments which have been made have brought out filing cabinets which are the equal in appearance, from a furniture standpoint, of wood furniture. The improved processes in welding and the channel or skyscraper style of construction have given the perfect steel file.

STANDARDS IN FILES

In selecting a standard for files, there are seven features which should be considered:

1. Durability.
2. Rigidity.
3. Ease of operation.
4. Noiselessness.
5. The space which the file occupies.
6. Appearance.
7. The filing capacity.

All other features being equal, the last named is the most important.

When filing cabinets are bought, they should be purchased by the filing inch. The United States Government has adopted this standard in the purchase of files; and, instead of requiring in its requisition for comparison that a certain number of drawers be furnished, which is obviously an incorrect estimate, inasmuch as different manufacturers furnish drawers of different lengths, the government requisitions at present always specify a certain number of filing inches, to hold papers of a designated size. The filing cabinets are purchased to store papers, and every other feature being equal, the drawer which gives the greatest capacity is the one to be selected.

In adopting a standard of files, that line only should be considered which furnishes all regular sizes in stock goods. It is a mistake to purchase any except absolutely stock articles in filing cabinets. Otherwise, they do not lend themselves to future additions, nor can they usually be used except for the purpose originally planned and, consequently, may be useless to the purchaser because of some slight change in the office system. Stock goods are always an asset. There is the further reason that special files are more expensive: there is always delay in their delivery; and, if additions are needed, they may not match with those previously purchased.

As in the case of desks and chairs, it is well to avoid special finishes, or anything except those regularly adopted by the leading manufacturers as standard. The finishes in common use are those which give the most harmonious appearance to the office; and the adoption of standard finishes insures quick delivery and continued uniformity as additional purchases are made.

TELEPHONES

The constant increase in the number of telephones that are installed, as shown by the records of the telephone companies, is a fair indication of the rapid growth of the telephone in business life to-day. It is probably the most important machine in the office for handling the departments which have connection with outside business concerns. Its use is so common and everyone is so familiar with it, that many neglect to keep it up to its highest point of efficiency by its correct installation and by definite rules governing its use.

The telephone companies themselves have carried out a system for some time by means of which they are able to know exactly how many calls are made when the busy

signal is given. Such coöperation as this enables the user to know precisely how many telephones are required for keeping him in perfect touch with the outside.

The first rule in installation should be that telephones should be placed wherever they can be of service. The expense is so slight, that wherever a telephone can save time for the employee, it should be installed; it is better to be too generous in the number of instruments placed than to have any lacking. The increasing use of the switchboard in the office for house purposes makes possible even greater service. A switchboard is an added advantage and its slight expense, even in comparatively small systems, is more than made up by the efficiency of the service. The work of the switchboard operator, where her time is not wholly devoted to the work, can be so arranged that she may do other work to as great advantage as if she did not have the care of the telephone. The danger in the use of the public telephone with its extensions through the switchboard, for interhouse communication, is that outside business is often delayed and the efficiency of the telephone and the prime purpose for which it is installed is defeated. It is better to install house telephones which are independent of the regular telephone or to use the telautograph or the dictagraph for interhouse communication.

TELEPHONE RULES

In all probability, there is no other one feature on which an office may be judged, and is judged, than on the efficiency of the telephone service, and this service can only be made effective and brought up to the high standard that is desired, when absolute and definite rules are given to each user of the telephone and where insistence is made that these rules be followed out. It

would be difficult to prepare a better model for such a set of rules than those furnished by the Sherwin-Williams Company to its employees. Their rules are as follows:

Our telephone service is one of the main points of contact between us and our customers or those with whom we do business. The way in which you answer incoming calls or call others may be either a great help or a great hindrance to our business, so do your part well that this company may obtain the reputation for efficient telephone service it desires.

Be quick, accommodating, and polite, but avoid being impatient or abrupt. Remember there are always three parties to every call; the one calling, the operator, and the one answering, and all must coöperate. When you are called, answer promptly, but do not remove the receiver from the hook until the bell has ceased ringing.

Speak distinctly into the transmitter, not at it, and in your natural voice, with your mouth about an inch from the mouth-piece.

If on a direct line answer with the name of the company—saying simply, "The Sherwin-Williams Company"—do not say "hello"—it's a waste of time. If your line connects with the company's branch exchange, answer with the name of your department or office, as "city sales department," "accounting department," "Mr. Blank's office," etc.

If the party calling has been connected with the wrong department, or if through inability to answer his inquiries you must switch him to another 'phone, make absolutely sure first that you really know whom or what he wants, then ask him to hold the line while you call the operator by moving the hook up and down slowly (a quick motion is useless) and tell her what transfer to make. Be especially careful to avoid switching anyone to several different 'phones, it is extremely annoying to the one calling and indicates a lack of courtesy and attention on the part of the company.

When you call others, the same directions on speaking must be followed. If on a branch exchange and you need an outside

connection, ask for main line or main exchange—then give the number required to the exchange operator, spelling out the number, one figure at a time. For Main 1375, say, “Main one-three-seven-five.” Always make sure of your number before calling—do not trust too much to memory.

For long distance calls you must ask the operator for “long distance” and when connected with the long distance operator, give her your name and telephone number. All long distance calls must be reported to our own local operator, where a branch exchange is maintained, or to the chief clerk or some other person appointed by the manager where there is no branch exchange. Report the name of the party called, duration of conversation, and the department that is to be charged with the toll.

The office telephones must not be used indiscriminately for private conversation, as they are part of our business equipment and are intended for business purposes. If it is absolutely necessary that you use the telephone, your manager may give you permission to do so before 9 A. M. and after 4 P. M. or between 11:30 A. M. and 1:30 P. M. The telephone operators have instructions not to make connection for private incoming or outgoing calls except during the hours here stated.

DICTAGRAPH

The dictagraph has become known to the public generally because of its use in detecting crime. It is, however, an office appliance. It may be adopted to advantage in preference to the ordinary house telephone. The reliability of the house telephone depends upon its being kept up to the correct point of efficiency. The public telephone offers no trouble to the user on this account, because the telephone companies are interested in its perfect working condition, and they continually adjust their machines and make whatever alterations are necessary to insure perfect service. The usual house telephone, however, when out of condition requires the same

sort of expert work, which in most cases is not available.

The dictagraph adapts itself to interhouse communication and is an interior telephone plus. Executives and department heads can secure information instantly without leaving their desks, or sending a messenger and having the answer delayed, or waiting for the telephone operator to get the connection only to find, as often happens, that the line is busy. When the operator wishes to talk to another office or department through the executive control station, he presses one of the small keys on the instrument in front of him, which simultaneously rings a buzzer at the other end of the wire and places him in immediate contact with the person wanted. It is like talking to someone who is sitting beside him. He can be doing his work exactly as he otherwise would; both hands are free, as the instrument does all the work.

If an unexpected visitor enters, who should not hear the conversation, the loud speaker is shut off, so that no one but the person operating the instrument can hear. It is possible to communicate with any connected office without placing a receiver to the ear and without speaking into or at the transmitter. A person may step to any part of his private office to refer to books or papers or other matters and from that distance give a message clearly and distinctly to anyone located at any other station, and the executive control on his desk will catch every word and transmit it. He may give instruction to one or more employees at the same time. He may listen to a meeting in another room without being present and may also take part in the conversation whenever he wishes. When there is the necessity for hurried exchanges of views among several persons on any matter of importance, they may confer simultaneously without leaving their desks.

Through the executive control, it is possible to talk at the same time to one, or with all, the departments which may be connected with the instrument. Letters or memorandums can be dictated to a person located in another office, and at the same time the person dictating may be free to move about. All messages may be confidential; no one can hear or listen on the wire; leaks are impossible; and business secrets may be safeguarded.

The extensions of the outside telephone are never blocked with the interdepartment communication when someone outside may need immediate access on a matter of importance. While using the outside telephone, it is possible to secure information immediately with the dictagraph, as it gives instant communication with every department. It relieves the switchboard of the house calls, and consequently the incoming calls are handled more quickly.

TELAUTOGRAPH

The telautograph is an electrically operated instrument which transmits an autograph record. It fulfills the same mission in carrying the written word that the dictagraph does in carrying the spoken one. The operator writes over wires just as with the telephone he talks over wires.

As a means of interhouse communication, it is of service along with the telephone and the dictagraph. By its use, errors which might occur in the spoken word are avoided, or if made, the responsibility is fixed. While the operator is writing on the transmitter, the distant receiver is reproducing the message in the identical handwriting. Direct lines may connect any two stations, or there may be selective intercommunication among any

number of stations or simultaneous distribution of messages to a number of stations.

It is used extensively by banks and trust companies where instant communication is desired between departments and where the use of the spoken word, for obvious reasons, is not desired. Department stores can use it to advantage, connecting the office with the shipping department, the complaint desk with the various departments, and especially for facilitating the necessary transmission of information from the sales force and the credit department. It is the most practical method for handling the credit arrangements in a department store. The clumsy method of telephone communication with every word that is spoken being heard by the customer is avoided in the use of the telautograph.

It is the ideal means of communication between the information desks in any office and the inner offices. For announcing the names and the business of people who may call, it leaves a permanent record at each official's desk, and also gives the information clerk the exact record of all who have called and what the nature of their business has been and whom they have requested to see.

It is possible to connect the telautograph with leased telephone wires for transmission to any distance.

TYPEWRITERS

The first machine adapted to office work was the typewriter, and since the machine was first introduced, few changes have been made except in the perfection of the mechanism and in the addition of special features which have been provided to care for special forms of work. The most pronounced change was the innovation of the visible writing, which brings all the work of the operator in sight.

As in office furniture and filing cabinets, it is desirable that one machine should be adopted in the office as a standard and that all the machines should be of this one make. The advantages are that if the operators in the office are using the same make of machine, there is no inconvenience caused by changing from one typewriter to another in case any one of them may get out of order. There is also the advantage that the company whose machine has been adopted can afford to give the required service because of the number of machines that may be in operation.

In the selection of a machine only the well-known and dependable models should be considered, and especial care should be taken that the machine purchased has a representative in the town in order that repairs and changes can be made quickly when desired. The typewriter is such an essential feature in an office that provision should be made so that this part of the work need not be hindered or delayed.

The automatic or electrically operated typewriter is adapted for certain kinds of form-letter work. The machine operates on the player-piano principle. The keys of the typewriter are controlled by a perforated stencil, which is cut for each form letter on a special machine for that purpose. Special fill-in work is possible at any point in the letter. Every letter is individually typed, complete in one operation, and uniform in appearance.

CARE OF TYPEWRITERS

It has been found expedient to have all machines in the office placed under the care of one person, and that person held responsible for their inspection and condition. It is a method that will insure uniformity in machine work. With typewriters, as with every other

class of office machinery, there should be distinct and definite rules applying to the attention of the machines and their regular inspection. Any of the manufacturers will gladly coöperate in the formation of such rules, because the service of the machines and the work they do depend upon the care given them. Repair bills will be less and the life of the machine will be increased if these rules are well laid out and closely followed.

RULES FOR THE CARE OF TYPEWRITERS

The Sherwin-Williams code of rules for the care of typewriters telling what should be done and what should not be done are given below, as follows:

Every morning before beginning operating clean your machine thoroughly—especial care should be given to keeping clean the back rod and the carriage shift rail underneath the center of the carriage, on which it rides.

Brush the dust off, clean the rods and type thoroughly. Draw the carriage to the left and brush the dust from the right side of the machine back of type-bar connections. Repeat the same operation on the other side.

The enameled and nickeled parts should be polished occasionally with chamois skin. When not in use, keep the machine covered.

The type are very accessible, and should be kept clean at all times. Use a stiff brush, such as is furnished with the machine, always brushing toward you.

After cleaning thoroughly, such parts as require it should be oiled. The back rod especially should be kept moist with oil.

Wipe off all superfluous oil except at the exact spot where friction is liable, as superfluous oil catches dust, and such accumulations retard the free action of the machine.

In the care of your machine what not to do is quite as important as what to do:

Do not take the machine apart.

Do not remove the carriage.
 Do not oil the type-bar bearings.
 Do not loosen the screws.
 Do not change the adjustments.

STENO TYPES

The stenotype furnishes a machine method of shorthand. The machine in appearance is similar to a typewriter, though not so large, can easily be carried from

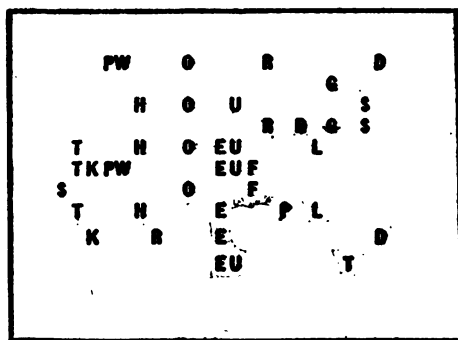


FIG. 16.—Reproduction of Stenotype Notes

one part of the office to another, and has a keyboard so arranged that the word is spelled by one stroke instead of by individual letters. The operator, instead of depending on notebook and pencil, prints the notes on a machine specially made for this purpose and so arranged that a word is written at one operation instead of one character. Figure 16 shows a reproduction of such notes. It does not take the place of the typewriter but is an adjunct to it.

The work of the stenotype must be transcribed on the typewriter in the same way that the ordinary stenographic notes are transcribed. It has the advantage of speed in operation. In contests among court reporters

who are acknowledged to be the fastest writers of shorthand, stenotype operators of only slight experience have easily excelled experienced stenographers as regards the number of words per minute.

Another advantage is the possibility of dividing up the work of transcribers. While the reading of stenographic notes of other operators is impossible, stenotype notes are identical; and where one person may have too much work and another too little, the work of transcribing may be equalized.

In the development of the sale of this machine, the offices have not been solicited, but the endeavor has been to educate the stenographers themselves to its use and to make the sale of the machine to them, the advantage being to the operator in that his increased speed and the capacity for turning out more work naturally tends to an increase in wage for him.

OFFICE PHONOGRAPHS

The office phonograph operates on exactly the same principle as the ordinary phonograph. The dictator speaks into the mouthpiece, and his words are recorded on a cylinder from which they are later reproduced for the person who is to transcribe them.

The machine is operated by a motor which can be so regulated that it will give any speed that may be required. It is not necessary for the person dictating to hurry, and he may start and stop the cylinder on the machine, at pauses in his dictation, by a slight pressure of the thumb on the adjustment. An index is placed above the cylinder on which may be noted any corrections which are made in the dictation or any directions which may be necessary for the proper transcribing of the words. The wax cylinder holds one thousand words.

The transcriber employs exactly the same machine, except that it has attached to it a reproducing mechanism which gives the precise words of the dictator. This machine can be so regulated that it gives any speed desired. By following the index which accompanies each cylinder the operator knows exactly what to anticipate and is also able to receive directions as to the number of copies that are to be made, or any information in regard to the particular transcription, and in fact, has every advantage that he would have, had he taken the instruction in the usual manner.

When the phonographs were first adapted for use in offices, there was some objection raised by those who used them on the ground that there was the possibility of their affecting the hearing. This objection has proved to be a fallacy. Another objection on the part of the operator was that he thereby lost his efficiency in stenographic work because of non-use and that there was a possible chance of lowering his earning power. As the machines have become more generally used, however, the successful operator of the phonograph is in as much demand as the experienced stenographer, and there has been no lessening of wages because of the machine.

There is naturally a decided advantage in the use of the office phonograph; it cuts out all the waste of time on the part of the stenographer while taking dictation. There are no waits and no delays. An operator of the machine may be constantly at work, and it lessens the number of such employees. On the part of the dictator, there is also the advantage that he may plan and lay out his work much more easily than where dependent upon the presence of a stenographer. He may dictate at any time he wishes; work may be done after hours, or

at home, and the records may be transcribed whenever convenient. It is a genuine timesaver.

IMPROVED COPYHOLDERS

Much of the time lost in the transcribing of stenographic notes and in the copying of papers may be saved by the use of the correct copyholder. Two machines have latterly been produced which are similar in construction and operation. They are so arranged that the papers which are being copied are directly back of and above the typewriter or are placed in a convenient position alongside. The machine is so arranged that a metal bar on the holder automatically points out and follows the line or notes which are to be copied or transcribed. By touching a key the indicator follows the copy; the spacer may be easily adjusted for one, two, or three spaces, according to the copy used. The key which raises and lowers the bar is alongside the keyboard of the typewriter, so that it is struck without effort or waste of time.

The machine may be attached to any typewriter, adding machine, linotype or billing machine. It is of especial advantage in statistical work, where the copying of a mass of figures correctly is possible only with extreme care on the part of the operator, and there is a consequent retarding of the work.

DUPLICATING MACHINES

The original duplicating machine was made on the old hectograph idea. A gelatin compound took the impression from copying ink, and from this a limited number of copies could be made. That process has now been improved upon, and specially prepared paper is used, furnishing a sort of gelatin band from which copies

are made. This is used principally where many colored inks are desired, as in statistical forms and reports, department charts, special drawings, plans, and surveys.

The first improvement came by way of the mimeograph, which made as many copies as might be desired, the original being a stencil from which duplicates were made. The objection to the original mimeograph was that, being a stencil form of machine, the copy did not have the appearance of the typewritten letter. For such work as did not require a facsimile of typewritten work it was satisfactory. It has been so improved, however, that it not only does all that it formerly did, but now gives a correct imitation of typewritten work and is better adapted to form letters than was the original machine.

Of the other duplicating machines, there are two styles. One is the flat-bed machine and the other a cylinder machine. The flat-bed machine operates on the principle of a printing press. The form which is to be duplicated is set up in type exactly as in the printing press, and there may be included any cuts and electrotypes which may be desired. The cylinder machine sets the type on a cylinder and, after the form has been prepared, is covered by a typewriting ribbon, and the impressions are secured through this.

The chief kinds of duplicating machines and processes therefore are as follows:

1. Gelatin duplicators { Hectograph
Gelatin ribbons
2. Stencil duplicators
3. Typesetting cylinder duplicators
4. Flat-bed printing duplicators

The number of copies and the character of the work to be done should determine the kind of process to adopt.

In general the order given indicates the original cost of the various kinds of machines and their adaptation to the quantity of work.

USES OF DUPLICATING MACHINES

The principal use to which these machines have been put is the preparation of form letters. On account of the great amount of circularizing which is done, this feature should be considered in the selection of a machine, and if this class of work predominates, the choice of machine should be that one which gives the most perfect imitation of the typewritten letter. By the careful selection of ribbons on the duplicating machine and the typewriter, the names and addresses can be written in on the form letters in such a way as to resemble exactly the most perfect typewritten letter.

There are, however, in the office many other uses to which the duplicating machine may be put. It is of use in the sales department in the preparation of instructions to salesmen and to the branches; for printing price lists and folders; for the preparation of salesmen's report blanks; for bulletins which may be issued from time to time; for printing postal cards for use in circularizing; and even for printing the house publication.

There are other adaptations of the duplicating machine; it can take the place, in a small way, of a printing press in the preparation of forms of which only a small number may be required or which may be needed at once. Very often experimental sheets are required which do not warrant a printed form, and these can be prepared on the duplicating machine. It has the advantage that the work is done when needed; it is independent of the printer; it will try out things that perhaps would not be

attempted otherwise. It is a combined typewriter, type-setter, and printing press.

The machines are electrically operated, and with meager instructions may be used by any employee. Certain machines are so arranged that in the printing of form letters, the names and addresses are automatically written in on the form letter by an attachment which feeds in the name plates in regular order, and such a machine as this gives an exact imitation of the typewritten letter; the same ribbon is used in printing both the address and the body of the letter. It makes the complete typewritten letter with individual name and address with one instantaneous operation.

PHOTOGRAPHING MACHINES

Photographic work in the office is simply the application of the principles of photography with a specially prepared camera which eliminates the expert manipulation and any objectionable features which might arise because of the inexperience of the operator. The camera is mechanically focused, quickly adjusted to produce large or small objects, and automatic in its operation.

The office uses of the camera are varied. It avoids the use of handcopying from such work as has not been prepared for the ordinary copying machine. Where special copying ink has been used, the ordinary duplicating machine will furnish the copy; but it becomes necessary at times to reproduce many forms which have not been so prepared and where the necessity for copying was not anticipated. It is in such work as this that the photographing machines are of use. The first application of this was by the insurance companies, which used the machines for the copying of applications and other forms which had to be duplicated, and by this process

they eliminated the errors which are apt to arise in any form of handcopying.

It has since been adapted to such work as the copying of shop drawings, plans and specifications for architects and builders, for the copying of tracings, blue prints, financial statements, statistical reports, orders, letters, ledger pages, court files, affidavits, and special exhibits, and particularly by banks for the copying of notes, duplicate signature cards, securities, and other valuable documents.

ADDRESSING MACHINES

Wherever large lists are maintained which are constantly used, an addressing machine becomes a necessity. There are two styles of addressing machines. One prints from a stencil and the other from type plates. The stencils or type plates are handled precisely in the manner that cards are handled in a card index. All the addressing machine companies supply the user with the proper cabinet for holding such plates, and the machines are so built that the plates are automatically fed into the machine. After the address is printed, the plates drop back into the drawer; hence the proper arrangement is constantly maintained.

Its principal use is in the sales department for handling a list of prospects and customers. The lists permit of any classification or any rearrangement. The indexing of the plates is done by tabs adjusted to the plates or stencils furnishing any classification which may be desired whether alphabetical, geographical, or by any other grouping which may be necessary. The machines are also arranged with duplicating and repeating attachments and besides can be adjusted to print the entire plate or part of the plate.

In addition to the work of the sales and advertising departments, it is used in some offices in maintaining the list of employees in preparing the pay roll; by newspapers for lists of subscribers; by banks for depositors' lists; by corporations for keeping a record of stockholders; and by collection departments in making out statements.

All the standard machines are electrically operated and practically automatic in their use, giving a combination of speed, accuracy, and neatness which cannot be obtained in any other way.

ADDING MACHINES

Almost every office can find use for an adding machine. The day of the old-time bookkeeper whose work was limited is past. Mechanical computation has the combined advantage of speed and accuracy. Even small offices which, on account of the limited amount of work, feel that they do not get the full value of the machine, can oftentimes use one to advantage. The saving in time, when all the operations covered by an adding machine are considered, will in almost every instance pay for the investment within a year; and in many cases it means the elimination of enough clerical help to pay for it in even a shorter time. The bookkeeping of to-day is a mechanical process, and the bookkeeping clerk has been supplanted by the bookkeeping machine.

Adding machines are made in two styles, the *listing* and the *non-listing* type. In the selection of a machine, these features should be considered. If it is necessary to preserve a record of the work that is done, a listing machine is preferable, while the non-listing machine has the greater speed. Although other operations such as subtracting, multiplying, and dividing are possible on the

regular adding machine, this work should properly be left to the calculating machine.

The features that should be sought in an adding machine are that it must be simple in its construction and fast in its operation; that it ought to have the necessary durability to insure satisfactory work; that it should have a light touch in order that the work may not be tiresome; and that the results of the operations should be in sight at all times. It must be mechanically and operatively accurate. Adding machines are equipped with electric motors, or not, as desired.

BILLING MACHINES

A billing machine is a combination typewriter and adding machine; it combines the writing features of the typewriter for billing and similar work with the additional adding and subtracting devices which are necessary in connection with the making out of invoices; and all the work is done on sheets without their removal from the machine. It accomplishes in one operation the work for which two machines were formerly required.

The first machine for this purpose was a flat-bed typewriter. The sheet to be printed lies on a table, and the typewriter passes over it, the machine being arranged mechanically so that the type will strike at any point desired. The work of the machine is always in sight. It was originally called a "book typewriter," because it was the first machine which had been devised which permitted the writing, except by hand, in a bound book or a loose-leaf book. Commercial typewriters have since been adapted to billing work and have combined the features of an adding machine with the ordinary typewriter.

As many as twelve copies of a billing form may be satisfactorily made on the best billing machine. By

the aid of the billing machine, it is possible to eliminate practically every feature except machine operation in the keeping of records.

CALCULATING MACHINES

As distinguished from adding machines, which were primarily designed for that purpose and which may be adapted to other forms of work, calculating machines have been improved to a state of perfection for mathematical purposes; and, while not as rapid in the work of simple addition, more readily adapt themselves to other classes of calculation. By means of the calculating machine, multiplication, subtraction, addition, and division either of integral numbers or of fractions and decimals are provided for; square root and cube root may be extracted, and any form of mathematical problem may be executed. The accuracy of the work is assured. The work of the machines is visible, and it is automatically impossible for the operator to go wrong. If through carelessness an error is made, the machine detects it and shows the error.

Several forms of calculating machines are in successful operation and have been perfected to the point where simplicity of operation is secured and all unnecessary mechanical complications have been eliminated. The machine to be chosen is the one where a change from one form of calculation to another is made without clearing the machine. This enables the operator to finish one operation partly, perform a subsidiary operation, and then go back to the first and incorporate the result that he has secured with what has gone before.

A calculating machine is a requisite for rapid work in any statistical department. It is an important feature of railroad accounting for prorating work and can be

used for a similar purpose in making divisions of expense items and administrative charges in any commercial office.

THE HOLLERITH MACHINE

One of the most interesting of the calculating machines is the Hollerith. This machine was originally designed for use in the Census Department of the government for tabulating the various records made up from the census reports. Since that time the machine has been adapted to commercial work.

The machine consists of three parts: a small punching machine which is operated in a manner similar to the typewriter; a sorting machine; and an adding device feature. Cards are used, specially prepared, of a form shown in Figure 17. The machine punches the cards according to given classifications, a different significance being attached to each position of the punched holes, which are the key to the statistical information recorded.

To bring together all the cards of any one or more classifications it is only necessary to place the card in the selector or sorting machine. This sorter is electrically controlled, and only those cards which have identical functions will be recorded in any operation. In this way the sorter automatically segregates all cards of any one punch and rejects those coming under other classifications. The adding device automatically records the number of cards of any one classification.

By use of the calculating machine, complete statistical information can be given of the work of various departments, or of the various parts of any department. The only work involved is the proper punching of the cards to mark out the information. From that point on, the machine itself does the work accurately and speedily.

SHIPPED FROM		Our No.		MOVEMENT NO. 1 R. R. Miles		MOVEMENT NO. 2 R. R. Miles		MOVEMENT NO. 3 R. R. Miles		MOVEMENT NO. 4 R. R. Miles	
TO		0000	000	0000	000	0000	000	0000	000	0000	0000
		1111	111	1111	111	1111	111	1111	111	1111	1111
	FIRST JUNCTION POINT	2222	222	2222	222	2222	222	2222	222	2222	2222
		3333	333	3333	333	3333	333	3333	333	3333	3333
	SECOND JUNCTION POINT	4444	444	4444	444	4444	444	4444	444	4444	4444
		5555	555	5555	555	5555	555	5555	555	5555	5555
	THIRD JUNCTION POINT	6666	666	6666	666	6666	666	6666	666	6666	6666
		7777	777	7777	777	7777	777	7777	777	7777	7777
	FOURTH JUNCTION POINT	8888	888	8888	888	8888	888	8888	888	8888	8888
		9999	999	9999	999	9999	999	9999	999	9999	9999

FIG. 17.—Form of Card Used in Hollerith Calculating Machine

Such a machine can, of course, only be advantageously used by large corporations where there is a sufficient quantity of suitable work to warrant its employment.

TIME STAMPS

All offices should use time stamps to give the correct time of the receipt of letters, telegrams, orders, execution of orders, payment of bills, filing of important papers, and to register the time of records which may depend for their value to any degree upon the moment when they were executed. When so used, it becomes a positive protection against mistakes, disputes, and impositions. Time stamps should be used by all department heads and should even appear upon records as they pass from department to department; it will tend to eliminate unnecessary delays, and the responsibility for any delay can be easily placed and corrected.

These time stamps can be made to suit any form of printing required, namely, the name of the company, the word "Answered," "Recorded," "Received," "Paid," or any notation required. All the printing can be arranged on a dial so that one operation performs the work.

CHECK PROTECTORS

Since under the law banks are responsible for only the genuineness of the signature of a check and ordinary care in its payment, the maker of a check is obliged to use diligence in its protection as to the amount. The loss occasioned by changing the amounts of checks after they have been issued, or as it is commonly called "raising a check," runs into millions of dollars each year; and, consequently, every office should be equipped with a check protector which makes impossible any alteration.

The improved machines permit the writing of the amount in dollars and cents in the body of the check; the paper is macerated, and at the same time indelible ink is forced into the fibre of the paper. Thus any alteration is easily and quickly detected. The custom of banks is to pay the amount written in the body of the check instead of the figures set down; and if this amount appears on the check in a form which it is impossible to change, it furnishes the highest grade of protection. To make the distinction clearer, the dollars may be written in black and the cents in red ink.

Another style of check protector punches the amount in figures into the paper, but this form of protection can never be wholly effectual, because cases have been known of these perforations being so skillfully filled up as to avoid detection.

SIGNAGRAPH

The signagraph is a machine which makes possible the placing of a signature upon several documents or pieces of paper at a single operation. The preliminary adjustments for the signing are done by an attendant who arranges the papers serially in binders which hold from six to ten each, depending upon the size of the sheets. When all have been adjusted, the person who is to sign operates the machine.

The instrument consists of a table-bed with folding extension leaves; around both, at front and back, run light endless chains actuated by sprockets and a crank handle. On rotating the handle, the chains, by means of evenly spaced lugs, carry the sheets of checks previously laid on the extension shelf under a writing frame, upon which are rows of fountain pens evenly spaced to cover the signature ground of the checks underneath. The

writing frame supported at each end by roller bearings is jointly, with the pens it carries, under the control of a monitor penholder or handle which, when handled as a pen, causes all the pens to respond simultaneously to its slightest movement. Ten checks may be signed at one operation. The writer, after signing the ten, rotates the crank handle, throwing the signed checks into a receiving tray, while at the same time a new set is drawn under the pen.

The machine has been found particularly valuable in the saving of time of high-priced officials, who by the nature of their positions are required to sign many documents in great numbers.

LETTER OPENER

To facilitate even such an apparently minor operation as the opening of letters, machines have been devised. Their necessity arises because of the volume of mail which, in many offices, must be distributed as soon as received; and any device which can hasten this movement must have its place in the equipment of an office. The letters automatically pass under a revolving knife which cuts one one-hundredth of an inch from the edge of the envelope. The machine is electrically operated, simple in its construction and durably made.

STAMP AFFIXER

It is impossible for any business man to be sure of the honesty of all his employees. As a rule, an employee does not intentionally take that which does not belong to him; but he may pilfer in a small way, as in the taking of a few stamps for his own use; and he may even justify the act in his own mind because it is too small a thing to make any difference or because, perhaps, he has

worked a little over time or will pay for them when the amount is large enough. This condition multiplied among a number of employees becomes serious. Hundreds of cases are discovered every year, but more are undiscovered. The actual stealing of stamps is common. In New York City alone, hundreds of thousands of dollars' worth of stamps have been sold every year by dishonest clerks. The wisest employer is the one who puts the safeguard against every possible temptation; it is a favor to his employees to guard them against suspicion. To insure honesty in little things is to insure honesty in the larger ones.

Stamp affixers either prevent the loss of stamps, or, if they are lost, furnish the necessary detection. The stamps are arranged in rolls and locked in a stamp machine. These rolls of stamps are furnished one thousand to the roll by the Post Office Department. At a single operation the machine tears off the stamp, moistens it, affixes it to the letter, and while the stamp is being affixed automatically registers the number.

ENVELOPE SEALER

There is no time when the quickness of machine work is more appreciated than at the close of the day. It is impossible to arrange department work so that the letters which are to go out do not pile up at this time on the mailing desk. To seal them by hand is inexpedient; machine work obviates this.

The machines are designed to seal all the regular stock sizes, odd size envelopes, specials, outlook envelopes, and catalogs, and they will also seal envelopes of varying thicknesses. An important feature of the machine is that the water regulation should be perfect, and there should be few parts to get out of order. Such a machine is an

advantage because of the perfect condition in which the mail leaves; outgoing letters are the personal representatives of the office, and anything which improves their condition and makes the work uniformly good is an office economy. The automatic sealer, electrically operated, does this work neatly, securely, and cleanly; at the same time, it counts and registers the number of letters.

Envelope sealing machines may be secured combining the sealing, stamping, and counting of envelopes. It is well to avoid any make of machine except those which have all metal parts, so that there will not be the gumming up of the machine which occurs in some makes.

FOLDING MACHINES

A folding machine may be used not only for the folding of the regular mail, but also for the folding of every form of circular sent out. This latter feature of the work is important. Circulars are usually delivered by the printer unfolded, and the dispatch of this class of mail is made possible only by the use of a machine. It is customary for folders and circulars to be distributed in quantities; and efficiency and the saving of expense are brought about by machine work. There is, also, the advantage of accuracy in the folding, as well as neatness, all of which bring the folder to the prospect in the best condition. The machine is electrically driven, and the letters or folders are automatically fed into the machine. The machine is arranged to handle papers of any thickness and can be so adjusted as to make one fold, or two or three.

PENCIL SHARPENERS

Pencil sharpeners should be so distributed about the office that there is no delay for any employee. The newest machines are of the rotary pattern. The most desir-

able machine is the one that will sharpen a pencil of any size and give points of any length or any size. In order that there may not be unwarranted waste, the machine should stop automatically when the pencil is sharpened. The pencil feeds automatically into the machine. In the best constructed style, the alignment is so perfect and is maintained so well that even after continuous use the points are not broken.

NUMBERING MACHINES

So many records are kept numerically in the office that every department where this occurs should be equipped with numbering machines. In the best models, the entire mechanism is enclosed and not exposed to grit and dust. The machines are equipped with a dial setting movement, which permits of instant adjustment in order to give consecutive numbering, duplicate numbering, or repetition, and they can also be arranged to number in triplicate, quadruplicate, or as high as sextuplicate. The features to be considered are perfect legibility, no matter how long the machine may be used, accuracy in adjustment, and rapidity in work.

PAPER FASTENERS

Machine fastening should be used instead of the ordinary clip, pin, and metal fasteners, which are a constant source of inconvenience in the files. The machine not only fastens two or more sheets of paper together, but actually locks them so that they will not come apart until it is desired to separate them, which may then be done easily and without tearing the papers. It fastens the papers without the use of metal clips, staples, rivets, or pins, by simply cutting a wedge-shaped piece of the

papers and automatically folding this through a slot which is cut in the sheet.

TIME RECORDERS

There is nothing so fatal to the discipline of the office as to have a body of employees irregular in the time of their appearance, to have some who come late and who go out at odd times. Efficiency is to a large degree a matter of faithfulness, and if an office insists upon regular and prompt appearance it is paving the way for good work. There is only one method of stopping irregularities among employees, and that is to make it unprofitable. Every employer of labor should have a time recorder for precisely the same reason that every merchant has a scale; the larger merchant simply uses more of the same kind.

Each employee is assigned a card which contains his number. On each side of the time clock is arranged a rack for the holding of these cards. As the employees enter in the morning, each takes his own card from the rack on one side, inserts it in the clock which punches the exact time upon the card, and then places it in the rack on the other side of the clock.

Another form of machine which can sometimes be used successfully in an office is one that is so arranged that each employee signs his name while at the same moment the time is registered opposite his signature.

LAMSON CARRIERS

To eliminate the employment of messenger boys, many offices have installed Lamson Carriers, which have been familiar to everyone since childhood by their use in carrying packages from one part of a store to another. These are of two styles: the basket form which is carried

over wires hung from the ceiling, and the tube style, commonly used in department stores, which is operated by compressed air. It is the most economical method for the distribution of papers throughout an office.

The distribution is handled through a central department which operates as a post office; through the central operator papers may be sent from one department to another. One plan of distribution is to provide heavy envelopes on the back of which are blank squares; each person in the office to whom papers may be sent at any time has a number allotted to him. When a paper is to be sent, the person's number is inserted in one of the squares. When the envelope containing the paper has reached him, he crosses off the number and uses the envelope again for any papers to be forwarded from his desk.

It is effectual in handling the mail, because as soon as letters are signed, they go directly to the mailing department. This avoids the piling up of mail at the close of the day. Orders pass quickly from department to department. Interhouse communications reach the persons for whom they are intended without the delay occasioned by messengers. It has the effect of speeding up the routine of the entire office; it is a mechanical messenger service, always working and always ready.

Where a central filing department is conducted, it obviates one of the objections that has always been raised to the central filing idea; that is, the impossibility of any department head quickly getting the correspondence which he may desire because of the distance of the filing department from him. Because of such delays there has been, in many organizations, a tendency on the part of many departments to keep a private file apart from the regular file for the matters that may need attention within

a short time. The carrier system means that delays are eliminated, and from the central filing department any correspondence can be placed upon the most distant desk in the shortest possible time.

The carriers may also be used in carrying light supplies from one part of the office to another; it does the work of messengers in all interdepartment work. While messengers collect their work in quantity, causing rush periods and idle periods, with the conveyor system the entire business of the office is evened up; the work flows steadily and uniformly. The carrier should be considered in the light of an investment that is to be written off. The slight cost of power for its operation and the incidental expenses for its upkeep fall below the cost of the messenger boy, and the carrier will do the work of a dozen boys.

TEST QUESTIONS

1. Indicate briefly how machinery has revolutionized office work.
2. How has the introduction of machinery affected the work, wages, and opportunities of office employees?
3. What two primary considerations should be given to office equipment?
4. Explain why appearance of the furniture and equipment has an effect on office efficiency.
5. When should a roll-top desk be used and when a flat-top desk?
6. What is meant by service desks?
7. What are some of the chief types of bookkeeping desks?
8. What are the essential requirements of good card-index drawers?
9. What are the most important general points to be considered in the selection of office furniture and filing cabinets?

10. What are the chief arguments for and against wood and steel furniture?
11. What are the seven standards to be observed in selecting filing equipment?
12. What are some of the chief rules to be observed in regard to telephones?
13. For what purpose is the office dictagraph well adapted?
14. What is a telautograph?
15. What points should an office manager bear in mind in the selection of a typewriter?
16. What are the Sherwin-Williams rules for the care of typewriters?
17. Under what conditions may stenotype and other short-writing machines be used to advantage?
18. What are the four chief types of office duplicating machines?
19. What are the two fundamental types of adding machines? To what sort of work is each adapted?
20. How does a calculating machine differ from an adding machine?
21. What is the purpose of a Hollerith machine?
22. What various uses can be made of Lamson carriers?
23. How may an office manager keep abreast of the times in the development of office machinery?

CHAPTER XVIII

RECORDS AND SYSTEMS

The progressive development of office machinery and equipment has made possible the improvement in office records and systems. It is to the up-to-date standard of records and systems that the present-day commercial world finds itself indebted, not only for having made possible, but for having rendered less burdensome, the care of the details of a large business.

COMMON FAULTS

As in every such advancement, there has been a tendency among many to go farther than the particular business required. There is a curious fascination about the analysis and gathering of statistical information, and it has not been the exception by any means to find an office that was overloaded with system. There has even been an inclination to adopt systems simply because others were apparently using them to advantage.

Another unfortunate feature has been that many persons who have been engaged in the sale of equipment or who were acting in the capacity of expert systematizers lacked the necessary experience in office work and did not have the comprehensive viewpoint essential to make each part fit in with the complete plan of office efficiency.

The closely occupied man of business who has studied over his factory methods, so that each step is taken with

the most approved machines in the simplest manner, cutting out every unnecessary detail, oftentimes allows the operations in the office and the systems for handling the details of information to develop in a slipshod fashion, with endless duplications, giving information which, if not entirely useless, is grossly inadequate.

PRINCIPLES TO FOLLOW

There should be a broad general principle covering the installation of office systems. Each part should fit in with the whole plan. Wholesome advice to the ambitious business man might well be condensed into such a formula as:

Analyze your own business; calculate the results you wish to obtain; determine what information you require and in what form; decide as to whether those results are worth as much as the actual cost of securing the information; eliminate the unnecessary systems and make additions thereto only after feeling firmly convinced that the new part gives you the result in its simplest form, furnishes you the exact information required, and fits in with the other work of the office.

A most successful man in business, whose name is a household word, and whose product is sold in every part of the world, has established a rule that has been in force for years, namely, that no additions shall be made to office systems and no changes made in their operation unless he himself is consulted, because he realizes that his office is one vast machine shop, and that every operation affects some other and depends upon still others, and that any alteration should be made only by the person who has in mind the entire scope of the outline of the business.

Another error which may easily creep in is that a system may seem ineffective or unwieldy while, in fact, the

unsatisfactory results are due to the ineffective operation. Also, such care should be used in working out the details of operation as the factory expert uses in laying out the work of a machine and in training the operatives. The office manual should explain each part accurately and define the precise manner in which each part of the work should be done and the exact course that the various operations are to follow.

For the purposes of this work, what might be considered normal systems are sufficient. They are designed to show the work of all the departments and to illustrate general principles. The forms shown in this volume are those actually in use in offices, and while not so elaborate as might be required for certain classes of business, they readily permit of the necessary changes for their adoption in many offices.

All office systems should be installed with the single view in mind that the vital information in all departments should be so arranged and classified that it is brought in such form before those in authority as to allow comparison with what has gone before and in this way to insure the correct decision as to what is required for the future.

VALUE OF RECORDS

The great value of all records is for comparison. If the many details of a business are kept well enough in hand and the work of the different departments is correctly arranged and classified, those who have the administration of the business know exactly the strength or weakness of each part and are able to pilot a course with the same exactness as the navigator who knows his charts and compass. Exact information based on statistics, reports, and known results, is the only safe basis for executive decisions and the formulation of policies.

TEST QUESTIONS

1. What is the primary purpose of office records?
2. What are some of the chief faults of records and statistics?
3. What formula is given for determining the kind of record system to be established?
4. Why is it important to have in mind the entire scope and outline of the business when determining upon the establishment of any system?
5. How does the effectiveness of a system depend upon the method in which it is operated?
6. What is the chief value of office records?

CHAPTER XIX

ADVERTISING DEPARTMENT RECORDS

One of the largest advertisers in New York, who happens to be one of the most successful, recently said:

I will tell you that I and many other merchants are absolutely in the dark on the advertising question. The perplexity is that we do not know what to think about advertising generally. While other parts of our business are reduced to a science, our advertising is a puzzle.

That very man makes an outlay of a quarter of a million dollars a year for advertising and then admits that he cannot measure the value of the returns with any degree of exactness. He does know, however, that he has something that the people want and that he must let the people know that he has it.

THE NATURE OF ADVERTISING

Advertising is merely the development of the old system of crying one's wares. Formerly, a vendor, carrying his pack on his back, traversed the commercial highway, and cried out what he had for sale; later, the commercial highway became centralized, and he built a store in a crowded neighborhood and trusted that the people would find the store. To-day he cries out through his advertising; the advertisement is the sign post which every sales department recognizes as an established factor in

its mechanism. Trade has expanded, and if the man in business wants the people the world over to know what he has for sale and what the article will do, the only way to spread the information is through the various mediums that are seen and read by the public.

There are five elements that enter into an advertising campaign:

1. The article that is to be sold.
2. The time to advertise.
3. The people to be approached.
4. The manner in which the story is to be written.
5. The mediums through which this information is to be given to the public.

On four of these points the advertiser can be reasonably certain. Naturally, the article must be right for the purpose for which it is designed, and the price charged must be a fair one. The season during which the advertising is done must be correct; that is, when the article is in demand. The class or classes of people who are interested in the article are known. The story itself should be told in a way which will interest prospective buyers. The one element which is in doubt is generally the mediums through which the advertising is to be done.

REASON FOR RECORDS

It is on this account that there must be preserved complete records of all advertising and of the results that are secured both in inquiries and in the orders which are received. It is not sufficient to know how many people have been interested in the advertising; it must be known that the return in dollars and cents has been sufficient to warrant the outlay.

In order to be of value, such records must be continuous, for it is from comparison month after month and

year after year that the advertiser determines which form of advertising produces the desired results and eliminates those which are not productive enough to warrant their continuance.

Advertising does not sell goods; but it does place the prospective buyer in a mood to purchase. In the development of a sale, there are four steps: attracting attention; creating interest; creating a desire; and, finally, securing the prospect's determination to buy. The advertising may accomplish the first three steps; the sales force is the final factor in making the sale. And this brings up the question as to whether the advertising department shall have charge of the sales or whether the sales department shall dominate the advertising. In some institutions the advertising department is in charge, and in others the sales department predominates. Usually, it will depend upon the personnel of the two, but there ever must be the closest coöperation between the two departments. The ideal condition is a sales manager comprehensive enough in his views and strong enough in his convictions to dominate the advertising work and make it a part of the sales.

KINDS OF ADVERTISING

There are two kinds of advertising, direct and indirect. Direct advertising is planned and purposefully executed to secure inquiries and consequent orders immediately from the advertising, and it is on this basis that mail-order houses operate. On such advertising, complete and definite returns can be kept, and it may be known exactly what each advertisement secures both in inquiries and orders. The records can be as accurate as those that are kept covering the progress of the work of a salesman. This type of advertisement is keyed in a manner which

permits of identification when the reply is received. One may readily detect what advertisement has caused the inquiry, and each order may be traced directly to the source from which it originated. The keying of advertisements may be done in several ways; by using various street numbers for different mediums; by asking that replies be returned to a certain department; and by the use of coupons which the prospect is requested to cut off, sign, and return.

Indirect advertising is more general in its nature and is used for the purpose of making the name of the article so well known, or the name of the manufacturer so familiar in the mind of the purchaser, that when the time comes for making the purchase, the buyer will naturally be inclined to select the advertised article.

It is in the latter method of advertising that the possibility arises for waste of money. It necessarily involves the expenditure of large amounts and the use of various mediums; and, because of the inability of getting accurate returns, the losses may be heavy. Such advertising depends for its success on the general increase of sales. Even on indirect advertising approximate returns can be shown, and they will give the comparative values of the different forms of advertising, or the different mediums used, and will make possible the elimination of such as are not productive.

The advertising man is judged not alone by the record that he makes, but as well by the records that he keeps. Because the responsibility is placed on him of securing the expected returns from the advertising investment, he should be able to show primarily that the total return has been sufficient to warrant the expenditure and, in addition, to show the relative value of each form of advertising and of each medium, in order to judge properly

the most lucrative distribution for future advertising campaigns.

The systems for this have been so well worked out that all the information of the advertising department may be readily classified.

THE APPROPRIATION RECORD

It is customary at the commencement of a campaign to set aside a fixed sum which is to be expended according

ADVERTISING APPROPRIATION FOR YEAR 1916													
	KIND OF PRODUCT	APPROPRIATION FOR 1916	EXPENDED IN JAN.	BALANCE FEB. 1	EXPENDED IN FEB.	BALANCE MARCH 1	EXPENDED IN MARCH	BALANCE APRIL 1	EXPENDED IN APRIL	BALANCE MAY 1	EXPENDED IN MAY	BALANCE JUNE 1	AMT. EXPENDED JUNE 1
FREQUENCY	COMMERCIAL CARS	6000	00	6298 08	1200 00							5098 08	3760
	PLEASURE CARS	4000	00	3800 00	3640 00								
ART & Engraving	COMMERCIAL CARS	8000	00	7461 00	1579 00								
	PLEASURE CARS	8000	00	4401 00	1599 00								
PRINTED MATTER	COMMERCIAL CARS	2000	00	424 00	1776 00								
	PLEASURE CARS	7000	00	146 00	1854 00								
OFFICE	COMMERCIAL CARS	5000	00	—	5000 00								
	PLEASURE CARS	—	00	—	—								
PRINT CAR	COMMERCIAL CARS	5000	00	424 00	4676 00								
	PLEASURE CARS	5000	00	—	5000 00								
PRIZE	COMMERCIAL CARS	5000	00	424 00	4676 00								
	PLEASURE CARS	3000	00	37 00	2663 00								
BALLYHOO	COMMERCIAL CARS	1800	00	780 00	1020 00								
	PLEASURE CARS	1200	00	1000 00	1000 00								
MISCELL	COMMERCIAL CARS	7000	00	724 00	6276 00								
	PLEASURE CARS	4000	00	411 00	3589 00								
TOTAL	COMMERCIAL CARS	13500	00	4905 00	8995 00								
	PLEASURE CARS	7800	00	871 00	6929 00								
GRAND TOTAL		20000	00	5776 00	15924 00								

FIG. 18.—Advertising Appropriation Record

to a fairly well-designed plan covering the manner in which the money is to be used. The advertising man is able to estimate roughly how much will be spent on publicity, how much for art work and engraving, and how much for printing; the appropriation will be divided accordingly. As the months go by, he should know just how much has been spent for each of these branches of

the work and how much money is left. The campaign is usually arranged to cover a definite period, as only in this way can the money be proportioned to do the work as planned. Figure 18 illustrates such an appropriation card.

RECORD OF MEDIUMS

It is necessary to know just what results are obtained from various publications. Figure 19 illustrates a record

Publication Name					Representative						
Street					City						
Circulation		Size of Page		Est. Width		Forwarding					
Type		Discount		Contract		Agency					
MO	SUBJECT	COPIES	SPACE	REV.	COST	COPIES REPROD.	TOTAL COPIES	TOTAL SALES	TOTAL SALES	TOTAL SALES	TOTAL SALES
JAN.											
FEB.											
MAR.											
APR.											
MAY											
JUNE											
JULY											
AUG.											
SEPT.											
OCT.											
NOV.											
DEC.											
TOTAL											

FIG. 19.—Record of Results from Mediums

for such a purpose. The card shows the name of the publication and all the information in regard to the advertisement; it contains also the record of the results secured from the advertisement. A comparison of these various cards shows the relative value of the different mediums which are used.

STOCK RECORD

It is as important to keep a complete record of the kind of printed matter, circulars, catalogs, booklets, etc., that

may be on hand, as it is to keep a record of the stock of merchandise. Such a system prevents delays in the advertising work and insures the department at all times that a sufficient quantity of each form is on hand to carry

INVENTORY OF ADVERTISING LITERATURE																		
NAME <i>The Ideal Car.</i>											NO. <i>M 3140</i>							
DESCRIPTION <i>Mailing Folder</i>											MINIMUM <i>5000</i>							
IMPRINT	ROCHESTER	<i>5000</i>																
	BLANK	<i>25000</i>																
DATE	1913	JUNE 1	JUNE 15	JULY 1	JULY 15	AUG. 1	AUG. 15	SEPT. 1	SEPT. 15	OCT. 1	OCT. 15	NOV. 1	NOV. 15	DEC. 1	DEC. 15	1914	JAN. 1	JAN. 15

FIG. 20.—Form of Stock Record

One card for each kind of printed matter—that is, each catalog, booklet, circular, etc. When filed by name of subject, tabs provide cross reference by form number.

out the campaign, as the requirements may suggest. Figure 20 illustrates a simple stock record.

PURCHASE ORDER SYSTEM

As a rule, the advertising department, on account of the nature of its work, handles its own purchases, and for this reason it should be supplied with a purchase order system which will be operated in exactly the same manner as that shown on page 259 and which is used by the general purchasing department.

[illegible][illegible]

FIG. 21.—Purchase Order Distribution Sheet

To facilitate coöperation with the accounting department, it is necessary that a complete record be made of all invoices covering the various expenditures, and this record should be kept in the advertising department rather than in the accounting department. Figure 21 illustrates a sheet which is planned to cover the distribution of the various charges. The totals at the end of a month show exactly how much has been spent for various

TITLE <i>General Catalog - 1913</i>					
JOB NO. <i>1</i>		CAT. SIZE <i>8 1/2 x 10 1/2</i>		PAGES <i>32</i>	NO. ORDERED <i>50 M</i>
EDITION <i>1st</i>		COVER SIZE <i>8 1/2 x 10 1/2</i>		PAGES <i>4</i>	NO. RECEIVED <i>50 M</i>
1067	ORDER NUMBER	FROM	ESTIMATE	COST	REMARKS
<i>94</i>	<i>775</i>	<i>Amey, Chicago</i>		<i>150.00</i>	Cover Paper <i>Tapestry-India 10 1/2 x 15 1/2</i>
		<i>Rock, Chicago</i>		<i>18.00</i>	Inside Paper <i>5 x 6 Black 25 x 40-80</i>
		<i>The Art Shop</i>	<i>82</i>	<i>79.40</i>	Composition <i>29 pages</i>
		<i>The Art Shop</i>		<i>12.10</i>	Printing <i>2 colors</i>
		<i>Rock, Chicago</i>		<i>1.50</i>	Folding
		<i>Hart, Chicago</i>		<i>6.00</i>	Binding <i>Saddle Stitched-3 sizes</i>
		<i>Hart, Chicago</i>		<i>179.00</i>	Drawings
		<i>Hart, Chicago</i>		<i>111.48</i>	Engravings
		<i>Rock, Chicago</i>		<i>1.50</i>	Electros
		<i>Hart, Chicago</i>		<i>7.00</i>	
		<i>Russell, Chicago</i>	<i>900</i>	<i>00 1946.00</i>	
		<i>Russell, Chicago</i>		<i>74.00</i>	
TOTAL COST				<i>7580.98</i>	
COST PER <i>M</i>				<i>51.72</i>	

(No. 210-347-248)

FIG. 22.—Cost Card

items, and it is from this record that the entries can be made on the general appropriation record.

COST CARD

Figure 22 shows a cost card in common use, on which may be noted the exact expenditures for any catalog, booklet, or circular which may be prepared. A number is assigned to each job, or the number may be assigned to a group of pieces issued at the same time. As the

various charges for the work come in, they are entered on this form, and when the particular job is completed, the costs are known and may be filed away for future guidance in reordering or for estimating similar classes of production.

CHECKING MAGAZINE RETURNS

The record that follows enables the advertising man to know exactly the number of inquiries received from each publication each month, how many inquiries result from each advertisement, from what class of buyers each magazine secures the most inquiries, in what particular articles readers of each magazine show the most interest, the cost per inquiry for each magazine, the average cost of all inquiries, the number of sales resulting from each advertisement, and the number of sales resulting from each magazine. Of course, in order to gather this information, it is imperative that the advertisement be keyed. One card is made out for each insertion. If the same advertisement is inserted in twenty different publications, there will be twenty cards for each advertisement.

On the face of the card is shown a space for each day of the month; at the end of each day, the clerk will insert the number of inquiries that have been received; the card provides for a full year; at the end of the year, the space at the bottom of the card will show the general record.

The reverse side of the card provides the space for the record of sales resulting from the advertisement, for which the card is made out. To obtain accurate information for this sales record, a proper follow-up system must be maintained, as explained on page 230, because if a reader sees the advertisement in a magazine on a particular day and writes for the catalog, he may not purchase for three months, yet for the sake of accuracy the credit

for the order, when it is received, must be given to the proper medium.

When a number of items are included in the same advertisement it is necessary to know how many inquiries are received in regard to each of the products, how many inquiries come from dealers, and how many from consumers. A form for such purpose is illustrated in Figure 23. This form is a daily record, and at the end of a given period (usually at the end of the month) the totals from the daily record are posted to a monthly record.

The same general forms may be used for keeping a record of all circulars, form letters, and advertising matter sent out, as it is equally important that definite and absolute returns be kept of this sort of advertising.

CLIPPING FILE

A clipping file arranged by subjects in a vertical file drawer enables the advertising man to collect the various data, which he may gather from time to time from different sources, so that when the time comes when he wishes to use this information, it will be available. Obviously a good classified index for all the more important clippings greatly facilitates the use of such a file.

Combined with this may be a file of advertisements, both of his own and of those who are selling in a similar line. For all his own advertisements, it is better to use separate folders, and the face of these folders may be printed, if desired, to contain the information as to when the advertisements have appeared and in what different mediums.

FILING PHOTOGRAPHS AND DRAWINGS

Photographs and drawings should be filed in vertical file drawers. They should be arranged numerically and

should be indexed on cards, as reference may be made to them in more than one way. In the same card index, a record may be kept of all drawings that are sent out of the office. When a drawing is sent to an artist, engraver, or printer, the date, name, and address may be noted on the card; and when the drawing is returned, proper notation is made. As an additional check on drawings that are out, a card may be placed in the photograph file with the correct notation as to when and where the drawing was sent.

FILING CUTS

One of the greatest difficulties that an advertising department has is to keep an accurate record of electrotypes. The indexing of this matter is difficult, because it is rarely possible to give a cut a name by which it may be located, and it is next to impossible to keep track of a quantity unless some satisfactory system is devised. The simplest plan is to number the cuts regardless of what may be their description. They should be filed in shallow drawers which are built by all filing cabinet firms for this purpose. The outside of the drawer has a label holder in which can be shown the numbers of the cuts contained in the drawer.

Proofs of the cuts should be pasted on loose-leaf sheets, and these sheets bound in a loose-leaf binder. The loose-leaf book may be indexed generally by subjects. Another plan is to paste the proofs on sheets, 12 by 9½, and to file them vertically in letter-size drawers. Guides can be used showing the various subjects which the cuts cover. Whether the sheet or the card is used, the notation can be made on the back whenever the electrotpe is sent out, giving the date and the person to whom it is sent, likewise the date when the cut is returned.

TEST QUESTIONS

1. What are the five elements that enter into an advertising campaign?
2. On which one of these five points are records most essential? Why?
3. How do the different kinds of advertising modify the kind of records to be kept of advertising?
4. What are the essential requirements for information on an advertising appropriation record?
5. Outline the essential requirements for a record of results from mediums.
6. What records should an advertising department keep for checking stock, issuing purchasing orders, and compiling costs?
7. Explain the essential requirements of a magazine record card. What information should be given on this card?
8. What are some of the filing problems to be met in an advertising department?

CHAPTER XX

SALES DEPARTMENT RECORDS

The plan of the operation of a sales department is laid out on the very simple idea that the sale is secured from the prospect; that the prospect is derived from a certain interest in the company's product; and that this interest may be due to the call of the salesman, the advertisements, and the circulars or the letters which have been sent out. The salesman's work is to create the prospects, to change the prospects into customers, and, through his service and the value of the product as well as the attention that he unremittingly applies, to keep these customers on the company's books.

SALESMEN'S REPORTS

So far as the records are concerned, there need be little difference whether the selling is by mail or through salesmen, and usually the two are combined. It often occurs that there is difficulty in securing the coöperation of salesmen so that they will furnish complete and accurate information concerning their calls and prospects, and oftentimes it is the most successful salesmen who are the more difficult to handle in this respect.

It is essential that every system should be so devised that the making out of reports is not laborious, for any salesman objects to working all day and then spending the time which should be his own in making out reports.

If possible it should be arranged so that it is not necessary for him to make out one record for himself and another for the house. When a salesman knows that he is sending in the same information he himself needs and that there is no duplication of effort, he will usually conform willingly to the wishes of the organization.

Figure 24 shows a salesman's report card, which can easily be made out at the time the call is made. In the upper right-hand corner is noted whether there is a prospect, and the letters A, B, C, and D indicate the buying ability divided into four grades, namely, Large, Medium, Small, and Too Small. If an order is secured, it is indicated under Date and Amount. In the blank spaces at the right of the Amount column, the salesman indicates the items covered in his call, and by the use of the letters and figures at the bottom indicates, in these spaces, how far his sales talk progressed and along what lines. The card is also arranged to show what the customer purchases from competitors.

Each night the salesman sends in all the cards for the day. The information is transferred to the office card, Figure 25, and the salesman's original card, Figure 24, is returned to him. He is supplied with the proper case to keep all his cards arranged by territories, so that as the necessity may arise, all his customers, prospects, and calls are together for ready reference. The six holes at the top are punched for a pocket binder about four by six, in order that the salesman may carry his required cards for the day in convenient form and fill them in with the necessary information as each call is made.

PROSPECT CARDS

When a prospect is secured, an office card is made out, Figure 26. It is a mistake to keep prospect cards in the

same tray with customer or call cards. The life of the sales is the prospects; these prospects are handled individually and followed up persistently. They are filed either alphabetically by name or by territories, and a metal signal is placed on top to indicate either the day of the month or the particular month that the follow-up requires.

If the call or the prospect originates with the house and not the salesman, the procedure will be reversed. Figures 25 and 26 will be made out, and Figure 24 will be sent to the salesman so that his records may be complete and so that he may follow up the prospect for the order, if not already secured, or for further business in case the house secures the original order.

CUSTOMERS' CARDS

A customer's list, Figure 27, should always be maintained, and it is generally agreed that this should be kept in a separate file. If necessary, this file may be arranged to show the classification of goods purchased and should be arranged always so that the correct follow-up is obtained. A simple device is to indicate by a metal tip at the top, the month of the last purchase. A glance at the drawer will show the cards of customers who have not bought within the desired time, and these can be followed up. The dates across the top indicate when the next sale should be made.

SALESMEN'S SUCCESS CARDS

Selling has changed in the last twenty years, and the story-telling salesman of two decades ago has been supplanted by the trained man of to-day, and while his personality is still a feature, his definite training along fixed lines and his well-outlined plan of campaign are his prin-

1	Approach	Got Favorable Attention	Got Interest <input type="radio"/>	Secured Prospect	Got Chance To Close <input type="radio"/>	Secured Order and Amount
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14	Approach <input type="radio"/>	Got Favorable Attention	Got Interest	Secured Prospect	Got Chance To Close <input type="radio"/>	Secured Order and Amount
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27	Approach	Got Favorable Attention	Got Interest	Secured Prospect	Got Chance To Close	Secured Order and Amount
28						
29						
30						
31						
32						
33						
34						
35						
36						

FIG. 28.—A Salesman's Success Data Card

SALESMAN ☐

DATE _____

cial assets. Sales conventions and carefully prepared sales manuals lay out for him the approach and the method of making a sale. The steps of a sale may be given as: Got Favorable Attention, Got Interest, Secured Prospect, Got Chance to Close, and Secured Order. Figure 28 is designed to find out the weak points in a salesman's work. It gives an estimate of the value of each call and is of interest not only to the sales manager for comparative work of his men, but also for the salesman himself in order to locate his own weaknesses.

The salesman keeps a record of each approach he makes: whether he succeeded in getting the prospect's attention; whether he succeeded in getting him interested after his attention was secured; whether he got a chance to close; and whether he secured the order. When an interview is finished, the salesman enters the information after the proper number, beginning the day with Number 1. If he secured the prospect's attention, he puts an X under the Attention column. If he fails to make the prospect give any real attention, he enters an O. If after getting attention, he succeeds in getting the prospect interested, he enters X in the Interest column, or O if he fails to awaken interest. If he succeeds in giving his complete canvass and gets his closing arguments before the prospect, he enters it in the same way, under the proper column, entering O if he is stopped before he has a chance to try his closing argument. Orders are entered in the same way.

At the end of the day the salesman has an accurate record of his progress. Moreover, he also has something of far greater value to him, and that is a written test of his own ability from which he can readily locate exactly where his work has been weak. Suppose that out of ten approaches he won attention eight times; his percentage

would be eighty. His method of approach is effective. Suppose out of eight prospects who gave him attention, seven are interested; his percentage is eighty-seven and one-half. This would be satisfactory. Again, suppose out of seven who are interested only three give him a chance to use his closing arguments, his percentage would be only forty-three; and if only one out of these three bought, the percentage would be thirty-three and one-third. Hence, it would take only a glance at the card to show that his weakness lay in his closing arguments. This card, if used conscientiously, cannot fail to show a salesman his weakness, or a sales manager the weakness of a canvass.

FOLLOW-UP RECORDS

Whether selling is done by mail or through salesmen, a follow-up system must always be maintained. In mail-order selling it is the life of the business, for rarely do orders come in except after extended correspondence. A follow-up system reinforces the work of salesmen. Form letters or form paragraphs are used, because of the fact that they are usually better prepared, the results which have been obtained from them are known, and they make the work of the sales department more mechanical and, therefore, easier of operation.

Every follow-up system must provide for filing the information in two ways, alphabetical or geographical and by months and days. The reason for this is that it must come up automatically on the day that further action is desired, provided an answer has not been received, and if a reply should come before that day, it must be possible to locate the correspondence, and this can only be accomplished by a double index.

There are three methods of accomplishing this result.

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31					
NAME																																			
TOWN																STATE																			
SALESMAN																																			
Form Letters																Special Letters								Salesman Called				RATING				Report			
1																																			
2																																			
3																																			
4																																			
5																																			
6																																			
7																																			
8																																			
IS HANDLING																																			

Fig. 29.—Follow-up Card

where form letters are used. The correspondence is filed in the regular way, so that it may be referred to if necessary.

EXPENSE ACCOUNT										SALESMAN
FROM										TO
										190
DAY	SAYS	NOTES BL	MALES USED	MALES MISLAGE	JOHN THOMPSON	DRY, SADDLES & EXPENSE	GRASSO BAGS	WORTH & PAPER	RECEIPTS	TOTAL
W										
T										
W										
T										
F										
S										
MON										
TOTAL										
BALANCE										LAST REPT \$
MON										O. H. \$
RECEIVED										\$
AMT ON HAND										\$
MILES MISLAGE										\$ X \$

FIG. 31.—Detailed Salesman's Expense Account

It is possible to use the correspondence as a part of the follow-up. The same card would be used except that the numbers would not appear at the top, and the card would be filed alphabetically or by states and towns. In this case, the correspondence would be filed under the particular date when another letter is to be sent, and the

CUMULATIVE RECORDS

Cumulative sales records are of value in showing by comparison where gains are being made and where losses occur. Territories usually become well defined, and a record should be kept of each territory showing the sales by months and years. In this way the work of new men is easily checked against the work done previously in the territory. In the same way the record of each man should be kept in detail, showing the different classes of goods that he sells, his orders in detail, and the profit. The record should also be transferred once a month to a card or sheet, so that his work may be compared month by month and year by year. It is essential that it be kept in detail, in order to show whether a salesman is selling every article in the line and to as many people as possible.

MAPS AND ROUTING

Every sales office should be equipped with a map system showing accurately the divisions of territory. By the use of tacks of various colors, the conditions in the territories can be graphically shown. Customers, prospects, agents, and dealers can be pictured, and every feature of the work marked out. Cords may be used to show the salesmen's routes and their positions at all times, and, consequently, future work is easily indicated. This, in combination with his card records, enables the sales manager to keep his hand on every part of his supervising work, to feel the pulse of the trade, and to know each day just where to apply his efforts to accomplish the largest gain. Maps may likewise be used to show density of sales, location of customers, or any other information which is of statistical value to the sales department.

TEST QUESTIONS

1. What are some of the means of simplifying salesmen's reports?
2. Why is a simple report necessary and desirable?
3. Just how may information regarding individual customers be secured through the salesmen?
4. What information should be given on such a report?
5. Explain just exactly how prospect cards are made out and handled in the office.
6. Indicate how to handle a customer's card in the office.
7. What is some of the important information that should be given in a salesman's success card?
8. What are some of the most important points to watch in the follow-up work of a salesman's office?
9. In what ways may cumulative records be used to increase sales efficiency?
10. What is the primary purpose of a map and tack system in the administration of salesmen?

CHAPTER XXI

CREDITS AND COLLECTIONS RECORDS

Under modern methods the dispensing of credit has been reduced, if not to a science, at least, to a method along scientific lines. While formerly credits and collections were delegated to people who did the work incidentally and with results that were consequently unsatisfactory, the gradually decreasing margin of profit in business has forced the growth of better methods for handling the work of this department.

KINDS AND SOURCES OF INFORMATION

The efficiency of a credit department depends largely upon the information which is gathered in regard to the customers. This information comes from many sources, namely, the credit reporting agencies, reports from banks, information given by the customers themselves, reports from salesmen, the rating books of Dun, Bradstreet, and other agencies, information furnished by associations in trade, and the records which are made up from the past history of the firm's own dealings with the customer. The relative value of these different sources of information must be determined by the credit man himself. Every credit man endeavors to coöperate with the sales department, and he must be dependent to some extent upon the reports of the salesmen. It is not always easy for the salesmen, however, to give an unbiased opin-

ion, for they are apt to be too lax rather than too severe, especially as their own interests are affected if the orders are rejected. Letters received from banks and other sources of reference given by purchasers should not always be relied upon, as these references may be prejudiced in favor of the customer. Statements furnished by the customer himself can usually be verified,

NAME		NUMBER	LEDGER
			" SECTION
			" FOLIO
TOWN		STATE	
FIRM MEMBER			
RATING		BUSINESS	
OWN		BRADSTREET	
WIREST CREDIT ALLOWED		HOW PAY US	
TERMS AND DISCOUNTS		SUYS	
SPECIAL REPORTS			
REFERENCES			
REMARKS			

FIG. 33.—Index Card to Credit Report Folders

and the experienced credit man is capable of judging of the accuracy of these. Naturally the best information comes from other firms who are selling to the same customer, from the reports of the credit agencies and trade associations, and from the continued record of the customer on the firm's own books.

All this credit information is gathered together by the credit man and arranged in such form that it is easily accessible and presents a continued history of the customer.

CREDIT REPORTS

The reports from whatever sources they may be gathered are arranged in folders. In ordinary correspondence, it is not necessary that papers be fastened into the folders, but in a credit file they should always be so fastened. The value of credit information is a cumulative one; the reports must necessarily be arranged in chronological order, the last report always being on top; and there must not be a possibility of a report's becoming lost.

The folders may be of a size to be filed in the ordinary correspondence file, or they may be of a smaller size, commonly known as the "mercantile report" size, which is approximately six by nine. This latter size will be used where the greater number of the reports are made on half sheets.

It is customary to file these folders numerically, and they should be kept in the file until the customer goes out of business or ceases, for a considerable length of time, to be a purchaser.

FORMS

A digest of the information contained in the credit report folder is made on a card of convenient size, and such card will be filed either alphabetically or by states and towns. Figure 33 illustrates a card in common use and gives the general information in regard to the customer and the numerical reference to the files.

In smaller credit systems, it may be found advantageous to dispense with the card, and in that case the face of the folder is printed in a manner similar to the

card, giving the important details of the various reports, and the folder itself is filed alphabetically or by states and towns. Figure 34 shows such a printed folder.

In order that the credit department may know how accounts are paid, in many offices a duplicate card ledger system is kept, and while this is not usual, it is almost essential that the credit department should have some record showing the purchases month by month and cov-

PURCHASES	1908	1909	1910	1911	1912
Jan					
Feb					
Mar					
Apr					
May					
June					
July					
Aug					
Sept					
Oct					
Nov					
Dec					
Total					

FIG. 35.—Customer's Purchases by Months and Years

Identification date on reverse side.

ering a period of years. Such a record is illustrated in Figure 35.

PASSING ON CREDIT

In a large credit department, it is necessary that the work be divided, and the natural and most effective method of division is that all accounts with concerns whose relations with the firm are satisfactory should be passed by the less responsible members of the depart-

ment and that the questionable cases should be brought to the attention of those higher in authority. This can easily be arranged by the grading of the accounts as A, B, and C. The accounts marked "A" will represent those of unlimited credit; the accounts marked "B" will consist of firms whose credit need not be passed upon except for unusually large orders or except when some extraordinary conditions arise. The C accounts will be new accounts, or those whose credit must be watched. Where such a system is in force, the cards will be arranged to cover such conditions; the A cards being in one file, the B cards in another, and the C cards in still another classification.

Such an arrangement as this enables the credit department to pass the orders more quickly, which is a desirable condition; and it also means that the orders with regular customers in good standing pass through more quickly than the others, and these, of course, are the orders which should not be held up. In some institutions where this plan is followed, inexpensive clerks are able to pass over 90 per cent of the orders without referring them to the heads of the credit departments. Care must be taken, of course, that the correct classifications are maintained and that cards are transferred from one list to another as changing conditions may require.

In some organizations, especially where orders are taken far in advance of shipment, credit is passed twice, once when the order is received, and a second time just before the goods are to be shipped out. Where this plan is adopted, it has been found that losses from poor credits are materially reduced.

COLLECTION RECORDS

As the credit department must know about the payment of bills in order to pass on orders, and because

those in connection with that department alone have the knowledge of the customers which indicate how to handle accounts in arrears, the collection department should naturally be placed under the control of the credit department. A good credit man is a good collection manager.

The prompt collection of accounts is an essential feature in keeping the percentage of losses low. As soon as

Name	Balance Due		Payments	
	DATE	AMT.	DATE	AMT.
Address				
Terms				
Statement Sent	DATE WRITTEN	DATE REPLIED	Remarks	
Draft				

FIG. 36.—Collection Card

Each operation of the collection department should be brought up automatically.

an account is opened on the ledger, some method must be in force to insure the payment of the account at the proper time. For this purpose a collection card is used. Figure 36 illustrates this.

This record will be handled in the same manner as any follow-up system. The most convenient method is by the use of signals, which bring the cards to the attention of the collection department whenever any action is required. The usual procedure is the sending-out of

for handling the account, collection correspondence may be filed numerically, the reference to the number being made from the card.

TEST QUESTIONS

1. Why is credit and credit administration an important factor in modern business?
2. What are the chief sources of credit information?
3. How is this credit information handled and classified?
4. How is the credit report folder used in the credit department office?
5. How is a grading of accounts shown on the customer's credit card?
6. Why is it essential that the credit man should be in touch with collections?
7. What information should be given on the collection card?
8. How is a follow-up system worked on collection cards?
9. How is the correspondence in a collection department to be filed?

CHAPTER XXII

ORDER DEPARTMENT RECORDS

The three factors which have been most prominent in the lessening of work in the office and in the development of systematic organization are:

1. The improved machines.
2. The use of carbon copies.
3. The improved methods of filing.

And in no department is this exemplified more than in the order department. Before the days of these improvements, it was customary, when an order was received, either to pass the original copy from department to department, thereby incurring the danger of loss and always causing delay, or to enter the order in an order book and to make as many copies as might be required. In the copying, there was always the possibility of error; but modern methods have overcome these difficulties.

DIFFERENT CLASSES OF ORDERS

In treating of the handling of orders, it is necessary to consider these under three classes:

1. Where the business is of such a nature that the shipping department and the stockroom are together and the manufacture of the article is not a factor.
2. Where the stockroom is divided into various departments from which the several parts of an order may

The image displays four overlapping copies of a 'House Order' form. Each form is for 'Shaw-Walker Co. of New York' and has an 'ORDER NO.' of 'B 22150'. The forms are arranged in a stack, with each subsequent form shifted slightly to the right and down, creating a layered effect. Each form contains the following fields:

- ORDER NO. B 22150**
- Shaw-Walker Co. of New York**
- CUSTOMER'S ORDER** (with a line for a signature)
- NAME**
- ADDRESS**
- TERMS**
- SHIP VIA**
- DATE**
- QUANTITY** (table header)
- AMOUNT** (table header)

The table at the bottom of each form has multiple rows for item entry. The forms are labeled as being in quadruplicate, meaning there are four identical copies for different purposes.

FIG. 38.—House Order in Quadruplicate. Each Copy of a Different Color

have to be gathered from various departments and brought together in the shipping room for delivery.

3. Where the different parts of an order or any of the parts of an order may have to be manufactured, and where there is consequently an element of delay in the shipment.

HOUSE-ORDER FORMS

No orders should be filled from the original copies on which they are received. In all cases, whether the order is received by mail or from the salesman's copies or is a verbal or a telephone order, regular house-order forms should be used. Such house order should be made out in triplicate, quadruplicate, or with as many copies as the nature of the business may require. With the improved machines, it is possible to make as many as twelve copies at one time. Figure 38 illustrates a simple order system, suitable for the first case mentioned above.

The *original* passes directly to the shipping room.

The *second* copy is held in the unfilled file which remains in the office. These copies are filed alphabetically for easy reference when necessity demands.

The *third* copy passes directly to the accounting department. These copies are filed numerically, and the file constitutes the order register and assures the accounting department that all orders are billed.

The *fourth* copy passes to the sales department for its statistical record.

When the shipping department has received its receipt for the delivery of the goods, its copy of the order with the receipt attached thereto is returned to the order department. The copy of the order on the unfilled file is then released, after which the shipping copy with the receipt passes to the accounting department for billing.

COMBINED ORDER AND BILLING

It is possible when making out the orders to make out the invoice at the same operation with properly printed forms, and also to make out an acknowledgment of the order. Prompt service in delivery of goods is one of the most important features in building up a business, and no promises should be made on an acknowledgment which cannot be strictly lived up to. As all the orders appear on the unfilled file and the dates of promise appear on these orders, it is not a difficult matter to keep a continuous check on the orders to insure their delivery on the dates promised.

When the invoice is made out at the same time the order is made, it is also possible to make out the copy for the sales journal. Both these copies are filed in a holdover file until such time as the delivery has been made.

Where such forms are used, it is necessary to provide for a system of back orders, which will take care of any items which are not delivered or where partial billing is necessary. It is customary to put the billing and sales copies back into the machine for these notations and to issue a back order which is of a different color.

Where several departments are interested in the filling of an order, it is customary to make out as many copies of the order as are necessary for the different departments. The forms and carbon papers can be so arranged that there will appear for each department only the items in which they are interested.

When an order system is designed to cover factory orders which will include items for manufacture, as many copies may be made as will be necessary for the different shops. If desired, only the items which each department

The diagram illustrates a multi-part form system for The Shaw-Walker Co. The forms are numbered 1 through 7, representing different stages of the order and billing process. Form 1 is the topmost, showing an invoice with fields for 'DATE OF ORDER', 'ORDER NO.', 'QUANTITY', 'UNIT PRICE', 'TOTAL', and 'TERMS'. Form 2 is below it, showing an acknowledgment with a large 'ACKNOWLEDGED' stamp. Form 3 is below that, showing a ledger sheet with a grid for recording orders. Form 4 is below that, showing a cabinet and steel factory copy. Form 5 is below that, showing a card factory copy. Form 6 is below that, showing an office copy. Form 7 is the bottommost, showing a sales record copy with a grid for recording sales.

FIG. 39.—Combined Order and Billing Form—Seven Forms Made in One Operation: (1) Invoice, (2) Acknowledgment, (3) Ledger Sheet, (4) Cabinet and Steel Factory Copy, (5) Card Factory Copy, (6) Office Copy, and (7) Sales Record Copy

is to manufacture will appear on its copy, but in many plants, in order that there may be a more intelligent handling of the order, as regards completeness and delivery, each department copy contains a full description of the entire order. Figure 39 shows a combined order and billing blank.

METHODS OF FILING

After the order has been filled, two copies should remain in the order department, one of which is filed alphabetically in precisely the manner that correspondence is filed; an individual folder is assigned to each customer and all the copies of his orders are contained in such folders. It is well to have these copies fastened into the folder, in order that the chronological order may be maintained. The neglect in many offices to maintain an alphabetical file of the orders by customers necessitates a reference to some index or to the ledger to locate a particular order with the consequent delay. The second copy of the order should be filed numerically, because a numerical reference is undoubtedly quicker when the number is at hand.

TEST QUESTIONS

1. What three factors have contributed towards lessening the work in an office?
2. How are orders classified for the purpose of determining upon a method of procedure in the office?
3. What is meant by a house-order form?
4. How are the different copies of the house-order form handled in an establishment?
5. How is it possible to work a combined order and billing system?

6. What are the essential copies required for a combined order and billing system, and how is each copy disposed of?

7. How are the various copies finally filed in an order department?

8. How are back orders handled under a combined order and billing system?

9. When several departments are concerned in the filling of an order, how are the order forms handled?

10. What are the chief reasons for using multiple house-order forms?

CHAPTER XXIII

PURCHASING RECORDS

Whether an office be large or small, all purchasing should pass through a purchasing department, though it consist of one man or of a corps of men. In no other way can proper prices be secured, uniformity in material maintained, goods properly inspected, or accounts correctly passed to the proper sources for payment.

The systems for purchasing follow along a well-defined line. They should cover the gathering and classification of information concerning the sources of supply, which may consist of catalogs, price lists, and quotations, and the handling of requisitions from various departments. Following this, comes the purchasing itself, the following up of the orders to insure delivery at a specified time, the inspection of materials to determine that they meet the specifications, and the passing of the invoices.

CATALOGS AND PRICE LISTS

In regard to the facilities for using catalogs and price lists, there have been a number of catalog files designed, but none has filled the general demand. By far the best plan is to arrange a cabinet of files made in sectional form having drawers of various sizes. These can be secured in the following sizes: ten by fifteen, ten by twelve, eight by ten, five by eight, and four by six. With these it is possible to store catalogs of all sizes except

drawers numbered by tens to furnish a ready reference for any catalog desired.

The catalogs will be indexed, preferably on three by five cards, in two ways:

1. By name.
2. By subject.

Figure 40 shows the cards to be used in each case.

QUOTATIONS

In addition to the catalogs, it is necessary to maintain a price file, showing quotations that are received on

ARTICLE		SIZE OR KIND	CARD NO.		
DATE	NAME AND ADDRESS	DETAILS OF QUOTATION	REMARKS	DATE	PRICE
		PRICE			
		TERMS			
		PRICE			
		TERMS			
		PRICE			
		TERMS			
		PRICE			
		TERMS			
		PRICE			
		TERMS			
		PRICE			
		TERMS			

FIG. 41.—Simple Record for Keeping List of Quotations Received

various articles, as shown by Figure 41. This becomes a source of value in making future purchases and should give the complete details of price, terms, and delivery.

REQUISITIONS

No purchase should be made except on written requisition, approved by the department head for whom the

INQUIRY FOR PRICE FROM MICHELIN TIRE CO.	
Telephone 123 New Brunswick	
Invoice No. 408-8 Order No. 64188	Montreal, N. J. June 9, 1914.
To Messrs. Walker & Co., 40 Franklin St., New York.	
TAKE PRESS COPY AND RETURN THIS SHEET	
Please insert your price, terms and delivery for material specified below	
MATERIAL	PRICE
Your price by return mail, please. 100 brass or steel label holders 3 1/4 x 1 1/4 (with two tabs) for card cabinets.	
NOTE—YOUR QUOTATION, TO HAVE CONSIDERATION, MUST BE MADE ON THIS BLANK AND RETURNED SO AS TO BE IN OUR HANDS..... 6/11	
Delivery F. O. B. Terms IF UNABLE TO QUOTE RETURN SHEET WITH THE NOTATION—CANNOT QUOTE The right to accept or decline all, or part, is reserved. No charge allowed for packages or cartage. <div style="text-align: right; margin-top: 10px;"> MICHELIN TIRE CO. <i>M. J. O'Connell</i> PURCHASING AGENT </div> <p style="font-size: small; margin-top: 10px;"> We hereby do hereby acknowledge as stated herein with only such variation from your specifications as indicated. ...will undertake to fill your order for above within days from receipt. </p> <p style="margin-top: 10px;"> Date </p>	

FIG. 43.—Request for Price Sent by Purchasing Department to Bidders

goods are purchased, or by some authority that is determined. Such a requisition is shown in Form 42. After the purchase has been made, this requisition should be returned to the person who made it, with the notations showing from whom the goods have been bought and when delivery will be made.

INQUIRIES FOR PRICES

In securing prices on any article a regularly printed form should be used, Figure 43. This is usually of thin paper, so that several copies may be made at one time, the only additional work on the several copies being to fill in the names of the firms to whom it is to be sent. Great care should be used to make the specifications clear and definite; otherwise fair quotations are hard to obtain.

PURCHASE FORMS

Goods should be purchased only upon written orders, and, if to expedite delivery, a verbal order is given, it should always be confirmed by a regular order in writing. The regular purchase order, Figure 44, should be made in triplicate, at least, and with as many more copies as may be required.

The original is sent to the firm from which the purchase is made. The part at the bottom is the acknowledgment of the order. This is to be torn off at the perforated line and returned, showing the date when shipment will be made.

The second copy passes to the receiving department and gives that department the necessary information concerning the disposition to be made of the goods when received. It is customary with some organizations to use a short carbon for the second sheet, so that only the description of the goods to be received appears. This

makes it necessary for the receiving department to make an actual count of each article received and acts as a check in determining whether or not the correct amounts are received.

TO FROM BY DATE CHECK NO. AMOUNT BALANCE CREDIT DEBIT CASH BANK OTHER		Office and Purchase Record BERRY BROTHERS, Limited DETROIT, MICHIGAN DATE _____ BY _____ CHECK NO. _____	
		Receiving Department BERRY BROTHERS, Limited DETROIT, MICHIGAN DATE _____ BY _____ CHECK NO. _____	
BERRY BROTHERS, Limited MANUFACTURERS DETROIT, MICHIGAN Please furnish us with the following material: Please state No. _____ and quantity.		ORDER TO FROM BY DATE CHECK NO. AMOUNT BALANCE CREDIT DEBIT CASH BANK OTHER	
We acknowledge receipt of your order No. 0000 and will ship		ACKNOWLEDGMENT OF ORDER BERRY BROTHERS, Limited DETROIT, MICHIGAN We acknowledge receipt of your order No. 0000 and will ship	

Fig. 44.—Purchase-Order Forms

The last copy is a card, instead of a sheet; this is the purchasing department's copy of the order and is more easily filed if it is a card than as if it were a thin sheet. Until the goods are received, the card will be kept in the

unfilled file, all cards being arranged alphabetically. In order to follow up the delivery, the numbers from one to thirty-one may be printed at the top. By means of a metal signal, the date on which the goods are expected may be indicated.

When the receiving department has received the goods and checked them up, the second sheet is returned to the purchasing department, with the proper notations. The card, or third copy, is released from the unfilled file and is then filed with the filled orders either alphabetically or by subject, as may be desired. The second copy, which now has the receiving department's notations and the correct passing of the purchasing department, is attached to the invoice and sent to the accounting department for their records and for payment.

TEST QUESTIONS

1. Why is it essential that purchasing should be centered in a purchasing department?
2. Of what does the purchasing work of a purchasing department consist?
3. How should catalogs and price lists be filed?
4. How should catalogs and price lists be indexed?
5. How are quotations filed?
6. What information should be given on requisitions for purchases?
7. How may inquiries for prices be facilitated?
8. How does the purchasing department dispose of the various purchasing forms?
9. How does the purchasing department handle its copy of the order?
10. Trace the course of the copy sent to the receiving department until it finally reaches the files.

CHAPTER XXIV

STORES RECORDS

LAYING OUT THE STOREROOMS

In order that each detail of the work may advance with the least effort, the correct laying out of the stockroom is essential and should be planned with the greatest care. It should be so arranged that the receiving and the shipping are conducted by traversing the shortest possible distances, and the whole plan ought to be worked out in a generous way with the maximum volume of business in mind, so that during the busiest seasons the work may be carried on with the greatest facility.

The time a stockroom should be most efficient is when the largest amount of work is at hand. Crowded stockrooms and congestion mean slower progress, misplaced and divided stock, and the consequent errors which arise from such a condition.

Wide aisles and sufficient storage space to segregate the various items and keep them in plain view will double the efficiency of the department. Under such an arrangement each article, as it is received, goes to its proper place. Where stock is daily shifted, there is always waste and loss, and there is danger in a crowded storeroom of items being so misplaced that they may be overlooked entirely.

Such an arrangement permits the minimum stock to be maintained consistent with good service. It allows the

stock to be turned often and the investment to be kept as low as possible to attain satisfactory results. It reduces losses, raises efficiency, and increases general satisfaction.

STOREROOM EQUIPMENT

Too much attention cannot be given to furnishing the proper receptacles for each class of stock. Adjustable steel shelving, which admits of numerous adaptations, is coming into more general favor. Although it is slightly more expensive than the common wood shelving, it is cheaper in the end, as it is always an asset, while the old-fashioned wood material cannot be classed under any other heading than as an expense.

Steel shelving can be readjusted to meet any changing requirements; it can be taken down and set up in another place; or it can be added to as the business progresses and enlarges. It meets the same demands for the stockroom that sectional furniture does for the office. There may be combined with this steel shelving, by an arrangement of doors and partitions, the necessary bins and compartments for articles which may require them.

THE STOCK RECORD

An accurate stock record is an essential feature for keeping account of every article in the storeroom. Not many years ago, it was considered sufficient if an inventory were taken at fixed periods, either annually or semi-annually; but no efficiently managed business to-day would be willing to allow such a period of time to elapse without knowing accurately the condition of its merchandise.

A stock record serves various useful purposes. If it is properly installed and carried out, it gives the exact

value of the stock from day to day. There is also the very important advantage that overstocking may be eliminated; this, unless carefully checked, may be a continuous source of loss. The record also becomes a barometer showing how certain articles in stock are moving during the different seasons, and, further, gives the storekeeper the correct information so that he is not out of stock as to a single article. It becomes of the utmost importance in case of loss by fire. Every insurance company, in its adjusting, will settle the loss from the stock record without question as soon as it is shown that this record is correctly kept. The determining of the loss otherwise than by a stock record is purely a matter of estimate.

Before a stock record system is installed, a careful study of the conditions should be made in order that the record may exactly fit with the requirements and, also, in order that the work of recording should be done with the least effort. It is desirable that the entries on the stock record for all goods taken out of stock be made from the orders themselves.

In certain classes of business it will be found that this is impracticable, because of the number of entries that must be made each day for the various items. Where such a condition arises, either of two plans may be used for assembling all the deliveries of any one item during the day and for making but a single entry on the stock record.

One plan is to have placed on each bin or shelf for each article of stock a tag, on which is noted, as the stock is removed, the amount which has been taken out. At the end of the day all the tags are collected, and the entries to the stock record are made from these tags.

Another plan is to use assembling sheets, properly

headed, for each article of stock and to make entries on the stock record from these sheets. Both these methods, however, require extraordinary care on the part of the storekeeper, in order that no items be omitted.

Figure 45 illustrates a stock record form in common use; it shows the name of the stock; the number, if this is necessary; its location in the storeroom; and it has spaces for indicating the maximum stock, the minimum stock, and the amounts which are to be ordered at any time. The figures for these last three items should be carefully watched, as they will fluctuate during the different seasons of the year, because of the changing conditions of the business.

The stock record is handled exactly the same as a ledger; on the left-hand is shown the date of the order, the amount ordered, the date received, and the quantity received. On the right-hand is shown the disbursements. The balance columns show at all times the amount that is left in stock, and the checking of this against the minimum amount shown at the top correspondingly indicates the required time for ordering.

Figure 46 illustrates a stock record form which may be used to advantage in some classes of business and is easier of operation than the usual stock record card. The right-hand columns are similar to the usual form. On the left are blank spaces, which should be arranged in rows of ten. As the stock is received, the required blank spaces are marked off, and as fast as an item is taken from stock, a cross is put into the blank space; the unused spaces at any and all times show the amount in stock.

INVENTORIES AND INSPECTION

It is essential, of course, that an actual inventory be taken of all stock at certain periods; or, at least, at the

close of the fiscal year; but in order to avoid mistakes partial inventories can be taken from time to time, and it is well to take an inventory of each item as often as it is ordered. This is a continuing check upon the storekeeper, and any such inventory should be made by someone other than the person who is in charge of the stock records.

There should be periodical inspections of the stockroom by the office manager, and preferably not at stated times; whenever such inspections are made, partial inventories should be taken as a check, in order that the efficiency of the storekeeper may be kept at the proper point.

In case the duties of the storekeeper are performed by the shipping department, the stock record should not be kept by the storekeeper; the shipping and receiving department should never for obvious reason have charge of the regular stock records.

TEST QUESTIONS

1. What general principles should be observed in laying out the storeroom?
2. What points should be observed in the equipment of the storeroom?
3. What are the chief benefits to be derived from a stock record?
4. When is it desirable to make all entries on the stock record from the orders themselves?
5. Explain two plans for assembling the deliveries of any one item for a single entry on the stock record.
6. What information is usually contained on a stock record form?
7. What precaution should be observed with regard to the inventory of stock?
8. If the duties of the storekeeper are performed by the shipping department, who should keep the stock record? Why?

CHAPTER XXV

SHIPPING RECORDS

Shipping is properly placed under the direction of the traffic department, and in selecting employees for this department those having had special traffic training or experience with transportation companies will be found the most acceptable.

All orders pass to and are routed by the traffic department. The information in this department consists, in the main, of a complete tariff file. These tariffs are supplied in pamphlet form by the transportation companies; they are always filed alphabetically by the name of the company issuing them.

FILING TARIFFS

Four methods of filing are in general use and have been adopted by the railroad companies and the larger shippers. These are:

1. Loose-leaf binders.
2. Shallow drawers.
3. Vertical files.
4. Special tariff files.

The tariffs may be filed in loose-leaf binders of convenient size, properly indexed. There is, however, an objection to this method of filing, namely, that the binders when filled are cumbersome and the tariffs, not being of a uniform size, are not readily or easily handled.



No. 1

Frame in file before being drawn out. Note bulky issue in frame at right.



No. 2

Frame drawn out from file.



No. 3

Frame, after having been drawn out as shown in Figure 2, turns on a pivot and brings all issues facing front and instantly accessible.

FIG. 47.—Adjustable Tariff File. All Folders in Plain View

Some companies use shallow drawers, which are indexed alphabetically; and the objection to this method is that the tariffs become soiled and torn.

In some cases, vertical file drawers are used, and the tariffs are filed in exactly the same way that correspondence would be handled.

However, a most approved tariff file is now being generally adopted by transportation companies and by

TOWN		KANKAKEE					
ROUTE—LAKE AND RAIL							
COMMODITY	RATE	TARIFF REFERENCE					
		R. R. NO.	PAGE & ITEM	L. & C. NO.	EXPRESS	CANCEL'D	SUPERSEDED BY
	COMBINATION						
ROUTE—LAKE AND RAIL							
COMMODITY	RATE	TARIFF REFERENCE					
		R. R. NO.	PAGE & ITEM	L. & C. NO.	EXPRESS	CANCEL'D	SUPERSEDED BY
	COMBINATION						
EXPRESS RATE \$ _____ S.W.T.		COMBINATION _____			MAXIMUM WEIGHT FOR EXPRESS SHIPMENT _____ LBS.		
		COVER					

FIG. 48.—Quick Reference Rate Card

large shippers. It is known as the "Cook tariff file," which is uniquely designed to bring all the tariffs into view, to file them alphabetically in folders of the proper size, and to keep the tariffs in good condition. Figure 47 shows a single rack of this file; such rack can be arranged to meet any requirements and can be added to as the files increase.

RATE CARDS

In addition to the tariff files, it is well to maintain a card system showing the various rates to different towns.

Figure 48 illustrates this card. It gives the name of the town, freight rate, the express rate, and the parcel post rate. It is not necessary that this system be made up at one time, but instead the cards can be filled out as shipments are made. These cards should be arranged by states and towns. Care must be taken that these rates are revised, as new tariffs are issued, and they should be periodically checked with the tariff file.

RECEIPTS

The receipts for shipment will consist of the usual driver's receipts for city deliveries and the transporta-

CONSIGNEE										CLAIM No.	
ADDRESS										DATE	
HOW SHIPPED					WHEN SHIPPED					AMOUNT	
GOODS										SETTLED	
REMARKS										OVERCHARGE	
										LOSS	
										DAMAGE	
FORM.	ABOVE	CAR NO.	WEIGHT				RATE	FREIGHT			CREDIT
											SALES
											MANUFACTURING
AUTHORITY										O	S
										L	M
										D	S
										TOTAL	

FIG. 49.—Claim Follow-up Card

tion company's receipts for outside deliveries. They can be filed alphabetically in drawers of convenient size or by number. If they are filed numerically, the corresponding number will appear on the order or orders which the receipt covers. By either method, the receipts can be quickly located when desired.

CLAIMS

The traffic department will also maintain a card system covering claims against the transportation companies, Figure 49. Transportation companies are proverbially slow in the adjustment of claims, and as many of these claims arise, it is necessary that a follow-up system be installed. The detailed information in regard to the claim is shown on the card, and all correspondence in regard to the claim will be filed numerically, the reference to the number being given on the card.

Any of the usual methods of follow-up may be used. The correspondence, if desired, may be filed chronologically, with the necessary correct information as to its location on the card; or adjustable signals may be used on the card to indicate the day on which the claim is to be brought up for attention.

INSPECTION AND CHECKING

It is essential that there should be maintained a system for inspection and checking of all goods sent out. If a well-satisfied customer is the best advertisement for any business, too much care cannot be taken that the order is filled exactly as directed, that the goods are sent out in perfect condition, that they are well crated, boxed, and packed, and that they are routed as the customer may direct, or by the cheapest and most efficient way.

TEST QUESTIONS

1. What department should have charge of the shipping?
2. How is the routing of orders handled?
3. How are the tariffs filed? What are the four methods?
4. What are the chief objections to the loose-leaf binders, the shallow drawers, and the vertical files?

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5. What is meant by the Cook tariff file?
6. What is meant by a rate card? What information does it contain?
7. What receipts are required in the shipping department?
8. How does the traffic department keep track of claims against transportation companies?
9. What are some of the things to be gained by inspection and checking of orders?
10. What points should an inspection and checking system cover?

CHAPTER XXVI

COST ACCOUNTING RECORDS

A well-organized factory and capable workmen are not the only factors necessary for efficient work. There must be added to this the analysis of orders, the correct following through of the work in the plant, and an exact knowledge of costs. The getting of this information and the handling of data involves the use of a considerable amount of office work. The technical accounting and engineering problems involved in such work will not be treated in this brief discussion.

PURPOSE OF PRODUCTION RECORDS

Production must be so carried on that there shall be enough goods to ship and that they shall be ready on the date promised. There must be a definite plan and a complete outline of the entire project in order that it may progress in a manner to secure the greatest efficiency and in order that there is the lowest cost consistent with proper production.

Some factories manufacture goods only as ordered; others manufacture for stock; but the only difference between these will be that in one instance the order is waited for, and in the other it is anticipated. Factories that are run on either basis must satisfy the demands of the customers. However, that is not the only consideration in a production system. Not only must plenty of

goods be made, but there must be such a grouping of the processes and such quantities going through at all times that the most economical conditions of production may be secured. It is desirable that all departments should work together at normal speed and under the most favorable conditions. It is unprofitable to pay overtime one month and work with half a force the next, or to have some departments idle while waiting for partly finished products to reach them. Systematic methods in production are the first steps in satisfactory costs.

Production records must not hinder the production itself. There is no necessity for taking away the initiative of foremen or shop superintendents. In some plants, when production records have been required, objections have been raised by the men and even by the foremen themselves. The records should be so devised that the work of keeping them does not devolve primarily upon the men or the foremen, but upon the factory office itself. At the outset, the schedules of all work should originate in the factory office as there the conditions are known.

In a large stove factory, the schedule of work is laid out covering an entire year in advance; this is based on the sale of the several styles of stoves during the previous years and is, of course, made up in such a way that the sales are shown month by month. In this way, the exact requirements of the factory are known. Then if any unforeseen conditions arise during the year, only a slight variation is required to make the supply and demand correspond. After the number of stoves of each kind has been determined upon, sheets are made out showing the exact number of the various parts to be made, as the same parts are required in different styles of stoves.

Such a plan may be worked out in almost any business where stock articles are manufactured and where the demand is constant or nearly so. If it is not constant, the variations are usually known.

Where the manufacturing is done as orders are received, it is desirable, as far as possible, to combine such orders as are similar, in order to lessen the cost of production. Each order, when it is received from the sales department, is given a shop order number, which follows it through the shop and serves as a means of identification so long as the order, or any part of it, remains in the factory.

A schedule is made out in order that the greatest speed and greatest economy shall be secured. There has usually been some promise of delivery, and it becomes the duty of the production departments to make the keeping of the promise possible. If no date is given, the shop executives make the promise, and this date of delivery is sent to the customer. To make such a schedule as this requires absolute knowledge of the working of each department and the whereabouts of every order. It should be possible at a moment's notice to tell just where every part of every order is to be found, how nearly completed it is, and whether it is likely to be finished on time.

Copies of the order containing a description of the goods required are made for each department which is to work on or furnish any part of it. If work must be done by different departments in turn, each should know exactly when its part of the work is to be finished. Each department head then files his copy forward until the date when he may expect the job to reach him. The foreman should notify the office continually of the progress of the work, and in case there is any delay, it can be overcome,

or perhaps can be made up, in some other department. In order that delays may be circumvented as far as possible, in almost every plant the work of tracing orders through is left in the hands of one person. By the use of this or a similar method, it is possible to schedule every operation; delays can be immediately located and steps taken to correct them. With such a grip on the factory, the sales department is able to make a promise of delivery with almost certain assurance that each promise will be carried out.

It is only when the work of the factory is properly laid out and the jobs are scheduled as they are sent to the factory, that cost systems can be maintained which are effective. Such a cost system is absolutely necessary to-day on account of the close competition in business, as it is necessary for the manufacturer to know exactly what it costs to produce his goods. This is as true of the small manufacturer as of the large. The old idea used to be to adopt the market price of an article and then to try to make the cost of manufacture such that a margin of profit was left. Such a method would be suicidal to-day. There is, too, the question of the factory which manufactures many kinds of articles. A cost system is essential to show the exact profit on each article, otherwise some might be manufactured at a loss, while the price of others might be so high that their sale would be impossible. Accurate costs must be known. The same conditions cannot prevail in all organizations or in every part of the country. Also, it is desirable to know what quantities to make of each article at one time, so that the lowest cost is secured.

THE COST ELEMENTS

There are three elements which enter into production costs. These are:

1. The cost of labor.
2. The cost of material.
3. The factory burden.

The cost of labor and the cost of materials refer to those items that may be definitely segregated and charged directly to the order. The cost of materials includes not only the purchase price, but the expense involved in making the purchase, the transportation charges, and the expense of handling and storing.

The factory burden is at times known as "general" or "overhead expense." It consists of the expenses neces-

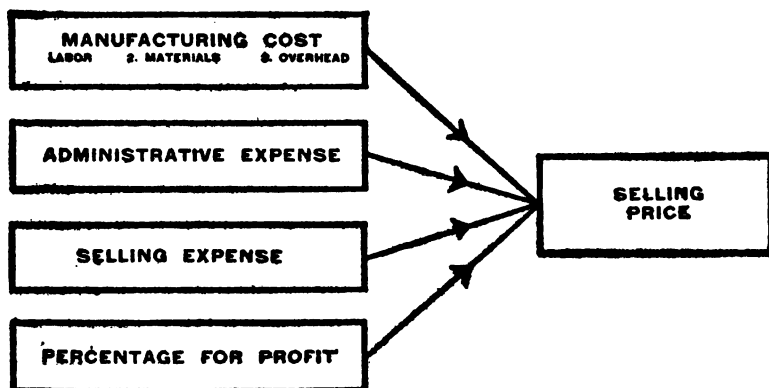


FIG. 50.—Chart Showing Items That Enter into Selling Price

sary to the plant as a whole which benefit all the departments and must be borne by all. Included under this head are such items as rent, heat, light, power, insurance, taxes, superintendence, factory office help, and any non-productive labor. When special operations or repairs have to be made on the product, these also enter into the cost. The final element is the loss by inspection when all finished goods pass under the scrutiny of skilled inspec-

tors before leaving the establishment, in order that imperfect articles may be culled out.

THE SELLING PRICE

Every article which is manufactured in a plant must bear its part of these expenses. This, of course, is not the final cost. Two other factors must still be added,

NAME _____ NO _____ DATE _____ 19__														
STARTED						QUIT						JOB NO.	NO. PIECES	NAME OF ARTICLE, OR NO. OF PART
7	10	20	30	40	50	7	10	20	30	40	50			
8	10	20	30	40	50	8	10	20	30	40	50			
9	10	20	30	40	50	9	10	20	30	40	50			
10	20	30	30	40	50	10	10	20	30	40	50			
11	10	20	30	40	50	11	10	20	30	40	50			
12	10	20	30	40	50	12	10	20	30	40	50			
1	10	20	30	40	50	1	10	20	30	40	50			
2	10	20	30	40	50	2	10	20	30	40	50			
3	10	20	30	40	50	3	10	20	30	40	50			
4	10	20	30	40	50	4	10	20	30	40	50			
5	10	20	30	40	50	5	10	20	30	40	50			
6	10	20	30	40	50	6	10	20	30	40	50			

FIG. 51.—Job Time Card

Punched like a street car transfer.

the selling and the general administrative expense. The latter is always to be distinguished and separated from the general burden of strictly factory expenses. The desired profit added to this sum will give the selling price. These facts are shown in Figure 50.

There is one feature that is always taken into consideration, however, and that is that certain items may have to take more than their share of the burden in order

	IN	OUT	HRS.
A.M.	MON AM 7 ⁰⁰	MON PM 12 ¹	
P.M.	MON PM 1 ¹	MON PM 5 ³¹	
EXTRA	MON PM 6 ³⁰	MON PM 9 ⁰⁰	

The Hoister Elevator Works

TIME TICKET

No. _____

Name _____

Date _____

JOB NO.		OUTSIDE		INSIDE	
		HRS.	MIN.	HRS.	MIN.

Correct: _____

Foreman

FIG. 52.—Time Card for Checking Each Operation

materials furnished for a job, by its order number, in much the same way as the labor cost is recorded. A requisition for materials is made out by a clerk in the factory office when the order starts on its course through the shops. Figure 54 illustrates such requisition. If it is found during the progress of the work that more materials of any kind are needed, they are ordered by the department foreman through the factory office, and an additional card is made out and filed with the first one.

Both are thus available when the time comes to recapitulate the total cost.

In case any materials are left over after the finishing of the work, these are returned to the stockroom, and the particular order for which they were given is credited with this.

ASSEMBLING AND CLASSIFICATION OF COSTS

When the job is completed, all the items for labor and material are entered on a form such as Figure 55. There will also be added the correct proportion for overhead expense and for general administrative expense, and this will give the cost up to the point of selling.

Figure 56 shows complete classifications of expense, giving each item in detail. Such records as these enable the management to know at all times to what degree efficiency is being maintained.

TEST QUESTIONS

1. What difference does it make for cost accounting records whether goods are made to order or for stock?
2. In what ways may production records hinder production?
3. Upon whom should the work of keeping cost records primarily devolve?
4. How are the different copies of the order handled in the shop and office?
5. What are the different factors that enter into the selling price?
6. How are labor cost records secured and handled?
7. Show just how material cost is finally charged to an order.
8. Show how all records are handled, assembled, and classified for determining the cost of an article.

CHAPTER XXVII

THE MAILING DEPARTMENT

The mailing department should have charge of all incoming mail, all outgoing mail, the house correspondence, and the filing system.

INCOMING AND OUTGOING MAIL

As the larger part of the mail is received in the early morning, it is essential that the mail department should begin its work far enough in advance of the other departments to allow the mail to be opened, sorted, and distributed to each department in time for the beginning of the day's work. It is also desirable that the outgoing mail should not be closed until after all the departments have finished their work. Consequently, the work of the mailing department should be so planned that part of the force reports earlier and departs earlier and that the others report later and depart later, this arrangement assuming, of course, that it is deemed necessary to establish uniform hours for all employees.

In a centralized mailing department it is imperative that there should be someone in charge who is competent to effect a correct and prompt distribution of all mail as fast as it is received. The various appliances for opening, stamping, folding, sealing, and distributing have already been considered. Their effective use is a problem for this department.

HOUSE CORRESPONDENCE

A great deal of ingenuity can be exercised in the handling of house correspondence. Memorandums of various kinds can be printed and duplicated for repeated operations; the necessary fill-in-work should be reduced to a minimum. Where the same information must go to various individuals or departments, these may be listed on the printed form. Duplicate copies may then be made for each department and checked as to whom each is to be delivered, or else one copy may be sent from office to office in the order listed, each person checking off his name as he gets through with it.

Where it is desirable to have a report upon the action taken in regard to a memorandum, reply forms may be attached to the original, or a duplicate copy may be sent which is to be returned to the sender with the desired information, while the original is kept by the department to whom it is addressed.

Where envelopes are used for certain kinds of house correspondence, they should be in distinct color and marked conspicuously with such a phrase as "FOR OFFICE USE ONLY." These devices will distinguish them carefully from the outgoing mail and lessen the chances of the envelope being sent to that department.

FILING OF CORRESPONDENCE

There is probably no department of the business which occasions so many irritations if it is improperly handled as that which has charge of the filing of correspondence. There has been during the past few years a very marked improvement in methods of filing, and in the files themselves; but the uncertain human element is still to be contended with. In too many offices, this work is left to

wholly incompetent help, and whoever happens to be in charge of the files considers that work simply a necessary step which he must take while he is waiting to be promoted into some other position. When one considers that the work of the highest-priced executive may be delayed and hampered by incompetent filing clerks, and there is an endless waste of time due to this fact, one must realize the importance of placing the filing department in charge of a person who is absolutely competent, who realizes the responsibility of the position, and whose pay is sufficient to make the position of some advantage.

Another feature which is essential is a centralized filing department. This is a point which has not been realized as fully as it should be. In many offices files are scattered through several departments, and each maintains whatever system it deems best. It is not possible to scatter correspondence about an office and have the system effective, nor is it possible to segregate correspondence and divide it up, because almost every letter is of interest to more than one department. This has been one of the greatest difficulties to overcome in the establishment of correct filing systems, because each department head is inclined to consider that it is more convenient to have his own correspondence in one place near at hand, while he disregards the fact that he is hindering every other department by having in his possession papers which must pertain to several departments.

A well-centralized filing department in charge of a competent person, with less expensive help to do the mechanical work of filing, will give each department its correspondence with the minimum chance for error and delay.

The filing department should be so arranged that no

one has access to it except the persons in charge. No correspondence should be taken from the files except upon written requisition, Figure 57, and correspondence should not be kept from the files longer than forty-eight hours, unless this requisition is renewed. In order to

Correspondence of		Date
Address		
Department	Signed	
Reference to		
<p style="text-align: center;">CORRESPONDENCE REQUISITION</p> <p>Correspondence will be sent and charged to the person signing this requisition—hence care should be exercised that no papers are separated from the rest. Return to the files as soon as possible.</p> <p>If it is necessary to send or give all, or any part of the correspondence, to any other person or Department before it is returned to the File Room see that a requisition for the same is signed by the person, to whom the correspondence is given, then send that requisition to File Room in order that proper charges may be made.</p> <p>Correspondence should not be retained longer than forty-eight hours. If it is necessary to do so, make notation to that effect on requisition or send a new requisition at the expiration of the time limit.</p>		

FIG. 57.—Correspondence Requisition

lessen the work for the executives, the filing department can handle the renewal of the requisitions.

METHODS OF FILING MAIL

It is generally recognized that the vertical system of filing is more satisfactory than any other which has yet been devised. Its development has been most rapid within the last few years, and it is not necessary to explain its advantages over the former system of flat filing.

There are four general basic methods of filing correspondence:

1. Alphabetical.
2. Geographical.
3. Numerical.
4. Chronological.

Before a filing system is installed and a particular plan of filing determined upon, it is necessary that a careful analysis should be made, as each of the four systems is correct, under certain circumstances. Even various combinations of these primary methods may be used.

ALPHABETICAL METHODS

The most natural method of filing is by the alphabetical system, because from childhood the human mind has formed the habit of going from A to Z, as a natural classification, and consequently it may be laid down as an established rule that the alphabetical system should be used under all circumstances unless there are certain conditions in the correspondence which require some deviation from this plan. While it is the custom generally to speak of filing systems, it would be more nearly correct if one were to refer to them as *systems for finding correspondence*. The filing is easy under any plan, but it is the finding which is difficult.

There is one objection which sometimes may be raised to the alphabetical system, and that is when the correspondence is so large that too wide a subdivision of the alphabet is required. It is possible to secure alphabetical subdivisions with as many as four thousand guides to the set; and in as large a subdivision as this, an important letter of the alphabet, such as "B" or "S," would have over two hundred guides. This obviously means that the subdivision is carried to five or six letters, for example, Schwar and Schwas. Also, there is

the further complication of separate guides for surnames. In any such index as this, unless the file clerk is extremely careful, errors will arise.

Recently there has appeared an expanding alphabetical index which is scientifically arranged by a clever adjustment of the guides to segregate at least twelve hundred of the more common surnames, and which permits accurate filing without much possibility of error for a million or more names, and which provides a satisfactory arrangement for upwards of thirty thousand guides in one index. Instead of the index being made arbitrary, it is adjustable to allow its being built up to meet the requirements for additional names. The advantage of an alphabetical arrangement, which fact should not be lost sight of, is that reference to it is *direct*; moreover, it is not necessary to maintain two indexes as in the numerical.

THE GEOGRAPHICAL INDEX

In certain classes of business, especially where correspondence comes from widely scattered sources, a geographical index is preferable. It may be arranged either with state and town guides, or with a subdivision of states, having each state subdivided by a proper alphabetical index. The advantage of the geographical index by states and towns is that all the correspondence from any one town is kept together. This plan is sometimes feasible in handling the correspondence of the sales department.

The disadvantage of the geographical file is that if correspondence is received from a person, written from two different towns, his correspondence will not be in one place. Also, in certain classes of business where the correspondence is from those who do not use a

printed letter head, and where oftentimes there is the neglect to write in the name of the town, the filing becomes difficult. This condition is true in a number of mail-order houses, and the usual precaution to prevent mistakes is to include the envelope with the filing so that the town may be checked from the postmark. The advantage of the geographical system is, of course, that the filing is direct, as in the alphabetical system. It has the same advantages as the alphabetical in that it is an arrangement of towns alphabetically, instead of persons alphabetically.

NUMERICAL FILING

When vertical files were first installed, it was the common practice to file numerically, and this was so common a practice that in the minds of many the numerical file and the vertical file became synonymous. In a numerical file, folders are filed consecutively, each correspondent being given a number, and the reference to these folders is from an alphabetical index which is usually arranged on three by five cards properly subdivided.

It is a mistaken impression with many that where a large file is maintained, the numerical method is advantageous. If a large alphabetical file is a disadvantage, the same disadvantage will appear in the card index to the numerical file; and instead of the numerical file's being an advantage, it is really true that the larger the numerical file the greater the disadvantage because of the greatly increased work. There must always be reference, first, to the card file, to procure the correct number, and then to the letter file, to locate the folder by its number.

It is a generally established rule that the numerical

system should not be installed unless the conditions are such as to make it impossible to file the correspondence correctly, either under the alphabetical method or under the geographical method. There are certain classes of business whose correspondence is of such a nature that it cannot be filed in any other way except by the numerical method. It is easier to locate anything by number, provided the number is known; it is slower to find anything by the numerical method if the number must first be looked up. Wherever a cross reference is necessary, that is, where any papers must be referred to in more than one way, or in which they must be indexed under two or more headings, the numerical system is preferable.

All libraries are indexed numerically because reference must be made to the book by the name of the book, the name of the author, and the subject matter. In a similar manner, the files in a law office are usually arranged numerically, because reference must be had to most of the papers under more than one name. Railroads and transportation companies use the numerical file more or less exclusively for the same reason, to wit: that reference must be had to their papers under more than one heading. However, even in case such conditions as these exist in an office, the numerical file should not be installed unless the numerical system is used throughout. In many offices it has been found to be an advantage for each customer to be given a number and to have this number appear on every paper pertaining to that customer, likewise all the files and all the papers pertaining to this customer are given the same number. Such a plan as this would not be of advantage except in large offices and where business is done with the same

customers continuously. There would be no advantage if the numbers were changed from time to time.

TOPICAL FILING

Filing by subject is not a distinctive method of filing, though often spoken of as such. It is simply an arrangement of files where the papers are kept under natural and well-defined subjects instead of by the names of the writers. The subject file can be arranged either alphabetically, by subjects, or numerically if a cross reference is necessary. A subject file should not be used except in cases where the subjects are so well determined that the reference to them is most natural; any attempt to install a subject file where artificial headings are given leads to endless mistakes.

Railroad and transportation companies use a subject file arranged numerically because it is a natural condition of their business. Contractors and architects can use subject filing because this is a natural arrangement for them, inasmuch as the correspondence groups itself under distinct headings and reference is necessary usually under more than one name. It is of advantage to them, however, to have all the papers on any one subject together.

THE CHRONOLOGICAL SYSTEM

The fourth method of filing is by months and days. A chronological file is usually applicable only to a part of the correspondence and may be combined with any of the other arrangements. It is of advantage in certain forms of follow-up, either in correspondence or in collections, and can be used wherever a similar condition arises. Wherever such a file is used, it is necessary that a card index be maintained in order that reference may be had

to the papers, in case there is occasion to refer to them at any other time than the date under which they are filed.

SUPPLIES FOR FILES

There has been a marked improvement in the supplies which are furnished for vertical files. In the first files

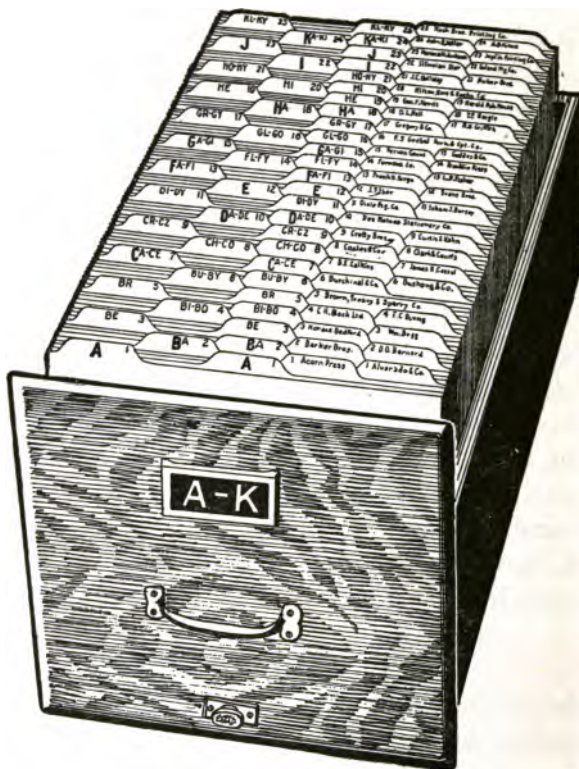


FIG. 58.—Combined Numerical and Alphabetical Filing System

which were produced, cheap manila guides were used, and square-cut folders of light weight were common. With the continued use of files, it has been found that the success of the file depends upon the indexes and guides

more than upon any other feature. Guides are now made of heavy pressboard, which, though slightly more expensive, makes filing much easier, and they are cheaper in the end because of their lasting qualities. The square-cut folders hidden by the guides have given way to the tabbed folder.

The ideal arrangement for an index is to use guides and tab folders of the same height as the guides. Instead

[illegible]

FIG. 59.—Form of an “Out” Guide Card

of using all five positions as in the old index, the guides occupy the first two positions; this leaves the three positions at the right hand for tab folders. Where the alphabetical system is used, there may be a miscellaneous folder behind each guide, preferably of a different color. This will leave the two right-hand positions for the individual folders. In such an arrangement as this, all the indexing is in sight, and reference to any folder is almost instantaneous.

It is possible to gain the greatest advantage of the numerical system, that is, its quickness in refiling, by combining a numerical and alphabetical arrangement,

Figure 58. Each guide of the alphabetical index is given a number, and all the folders behind any guide will bear the same number as the guide. In such an index the finding of the letters is by the alphabetical method, and is the most direct and most accurate. The refiling of any folder is by the numerical method, which is the most rapid.

Wherever correspondence is taken from the files, whether it be individual letters or folders, an out card, Figure 59, of a distinctive color, should be inserted at this place in the files. On this is noted the date when the correspondence left the file and to whom it was given. This immediately locates any correspondence which is out of the file and which may be required in some other department.

To facilitate the filing of correspondence, a sorting tray should be used; the guides in this correspond to the drawers, one guide being used for each drawer. Correspondence will first be filed into the sorting tray, and from the sorting tray to the files themselves.

TRANSFERRING

If transferring is properly handled, there need not be the general commotion which occurs in most offices at this period. Files are usually arranged to carry the correspondence for one year. Transfer cases are made of the exact size of the regular drawers; thus if desired, the entire correspondence can be arranged in the transfer cases exactly as it appeared in the original files. The work of making out the new folders should, of course, be done far enough in advance to make sure that the new files will be ready for operation at once.

In some classes of business it is possible to transfer correspondence on each subject as it is finished, and un-

der such conditions there would be no regular transfer period. Law offices use this method, each case being transferred as completed, and in certain forms of commercial business this method prevails.

There is a disadvantage in transferring the entire correspondence at one time. For an extended period the transferred files are referred to more often than the new files which have just been installed, and as the transfer cases are not of easy operation and, also, as they are not customarily located in an accessible place, there is confusion and delay for a certain time after the files have been transferred. In order to overcome this difficulty, it has become a custom with many concerns to use only the top two rows of their four-drawer cases for their active correspondence and to install these files to run for a period of six months only. At the end of the six months, this correspondence is put in the bottom two drawers, and the new files are arranged in the top two rows. With this method, the transferred files are as available as the original files. At the end of the succeeding six months, the two bottom rows can be transferred into less expensive transfer files and placed in the storeroom, as there will from that time be little reference to them.

Another method of accomplishing this is to arrange the files to cover a period of one year and at the end of six months to put in the files new folders, preferably of a different color, to handle the correspondence of the last six months. At the end of the year, the folders which are six months or more old may be removed from the files and transferred to the storeroom, as there will be only occasional reference to them.

THE HUMAN FACTOR IN FILING

Whatever may be the requirements of an office and whatever system of filing may be installed, its success depends upon the ability of those in charge and on the interest which they take in the work. They should have the highest grade of equipment, both as regards the files themselves and the index and folders. Definite rules should be laid down for the carrying out of the work, and the same importance should attach to the position of filing clerk as to any other position. A filing department, well conducted, increases the efficiency of every other department; poorly conducted, it retards the day's work of the entire organization.

TEST QUESTIONS

1. What are the four chief lines of duties of the mailing department?
2. What appliances are available for facilitating the handling of incoming and outgoing mail?
3. What are some of the problems to be considered in handling house correspondence?
4. What are the essential requirements of a good filing system?
5. What are the four basic methods of filing correspondence?
6. What are some of the chief problems connected with alphabetical filing of correspondence?
7. For what purposes is geographical indexing used?
8. What are the chief difficulties in connection with numerical filing of general correspondence?
9. For what purpose is numerical filing especially adapted?
10. For what purpose is topical filing used?
11. When is chronological filing useful?
12. Explain some of the methods used for facilitating the transferring of correspondence from the general files.
13. What are the chief rules to be observed for the efficient conduct of a filing department?

CHAPTER XXVIII

SUPERVISING THE OFFICE WORK

THE PLAN OF THE WORK

The work in the office divides itself up into three parts, namely: (1) that which is regularly passing through day after day, in the same manner, though perhaps in varying quantities, such as handling of orders, billing, etc.; (2) that which comes at stated periods, such as inventories, the general purchase of supplies, and transferring; and (3) extras, as conventions, and the installations of new systems, etc.

The office manager's work must be methodical and well planned, laid out for every day, every week, and every month. Hugh Chalmers has many times told of his plan of having placed before him each day the ten most important things to be done, followed by the ten next important. Nothing is overlooked; each detail is done in the order of its importance. Every executive should have some similar plan before him in order that he may not lose sight of a single item of his day's work.

The first step in such a plan requires the office manager to make up a complete list of every item of his work which may possibly arise. Many of these items repeat themselves daily, some weekly, some monthly, and others yearly. A well-known manager makes out at the beginning of the year a card for each day, scheduling every item of the work for the particular day that it may ap-

pear, and carefully adds to the card other items as they arise. Another manager charts the work month by month, the items for attention being listed down the side of the page and the days of the month appearing across the top. Under each day, any item which calls for attention is checked off in its proper place.

In like manner, the duties of each employee may be charted to show exactly what his work consists of. Consequently, in case of the absence of an employee, his work may be readily grasped by his substitute if the schedule is followed carefully, thereby minimizing delay and friction. Also, the continued checking over of the charts insures the proper distribution of the work of the office.

REPORTS

It is difficult to watch the various operations in an office as they proceed and to have a correct measure of what is done by each person. The office manager must have some means of knowing that the work is uniform and that there is maintained the standard of output which has been set. As long as everything goes well and emergencies are not confronted, the importance of reports is not felt; but when anything extraordinary does occur, the efficacy of supervision by report is appreciated.

In some offices, definite amounts have been established as the correct average to be reached by the various factors in the work, and the salaries and bonuses are dependent upon such standards. Where this is done, detailed reports are taken of the work of the typists, stenographers, dictaphone operators, and other workers on machines, showing the exact amount of work turned out.

Without question, the making of reports increases efficiency; the very fact that a person records the amount of work that he has done has a tendency to increase the

quantity of the work turned out; and where the standards are set and well defined, there naturally will be the desire on the part of the operators not to fall below the computed average.

When such reports are made, they should be tabulated, because it is by comparison that reports become of value. These reports should be kept in just as accurate a form as those of the sales department, giving the quantity and quality of the work done by each member of the force.

COÖPERATION OF DEPARTMENT HEADS

As an adjunct to the operation of the office and to further the mission of the office in its capacity of forming the bond of unity between each and every division of an organization, meetings for the interchange of ideas and for the gathering of information may be held under the direction of the office manager. The benefit to be gained depends for the most part upon the method in which they are conducted.

Committees, however, can never be made to fill the place of the staff idea in organization, because they lack the efficiency of the staff, the members of which are chosen for their ability to plan. Under ordinary circumstances, any committee which undertakes to do the work of the staff will fail if it is expected to decide on matters of policy. For the discussion of policies after they are formulated, for the taking up of questions of discipline, for the bringing about of a spirit of coöperation, and for the general education of those who may attend them, meetings can be made to serve a purpose, because of the free interchange of thought, the arousing of the ambition of those who become interested in them, the gaining of a closer system of control.

The chief gain in committees is in the discussion of the

routine problems of the various departments, of matters which may be of interest to the office and the factory, and, in a purely advisory way, of the application of rules and policies. If meetings are a part of the office procedure, a schedule of hours should be fixed which adjusts itself to the convenience of all expected to attend, and there should be absolute insistence on the meetings' being held promptly at the advertised time. Unless such meetings are a regular daily or weekly occurrence, written notice should be sent to those who are to attend, stating precisely the time and the place and giving an outline of the work that is to be covered, in order that everyone may come fully prepared.

The success of a meeting is largely due to the ability of the presiding officer and to the preparation in advance of the work outlined. In too many offices these meetings resolve themselves into a disjointed discussion of topics of interest not to the entire body, but to only a part of the committee, and instead of being profitable they develop into a lamentable waste of time. All work done in committee meetings should be collated and a written report sent to those who are interested.

To summarize, committee meetings are only successful when held at a definite time, when properly conducted according to a carefully planned program, and when the conclusions arrived at are distributed in a comprehensive form.

TEST QUESTIONS

1. Into what three groups does the work of office administration naturally divide itself?
2. What are some of the devices employed by well-known managers for scheduling their work daily?

3. Indicate what sort of report the office manager can use to advantage in the control of his work.
4. Show how the office manager can aid in securing coöperation between departments.
5. Under what conditions is committee management advisable?
6. At what hours should committee meetings be held?
7. What benefits are to be derived from committee meetings?
8. Compare committees with the staff idea in organization.

CHAPTER XXIX

THE OFFICE MANAGER

In the efficiently charted office, with its physical conditions answering every detail of the requirements for health, comfort, and the incentive to work; with every appropriate device in the category of modern office machinery; with its complement of enthusiastic, well-trained employees; with its code of principles understood, accepted, and concurred in by all; we have the field of endeavor ready for the campaign awaiting the signal of command from the office manager.

WHAT IS EXPECTED OF HIM

It is the office manager who directs the application of the power to run the organization. Upon the selection of the director of the army of workers depends the winning or losing—for leadership is necessary. He alone is credited with the profit or is held to account for the loss which the balance sheet may disclose.

In order that the campaign may be successful, how then shall proceed the task of choosing the person who is to assume the leadership of his train of followers? His responsibilities are manifold and varied; he must possess the instinct to command accompanied by all the attributes of leadership. To fathom soundly and definitely what there is about a man that enables him to inspire his fellow workers and mold the different units so that they

join in frictionless unanimity, and to detect the propensities in a person that mark him as a disciplinarian and at the same time show his fitness for the executive position, must involve the simultaneous retention in the mind of the thousand-and-one trivial demands that are to be crowded into each moment of a full day's work.

No other position in a large organization entails so much labor which apparently yields no return; no work is so difficult to measure or appreciate. The sales manager's results are definite. A fixed increase of sales at a definite percentage makes him a success. The credit man stands or falls upon his losses, as they are a fixed proportion of the sales. The factory manager produces at a cost which can be measured and which permits of comparisons that are exact. But the office manager, his work interwoven with that of all the other departments and himself an important factor in the success of the others, appears on the company's books as an expense in operation.

WHAT HE MUST BE

First, he is a mediator between the man who earns and the man who pays. In this dual capacity, he represents the worker when dealing with "the man higher up," and when issuing his commands, he passes down authority from his ranking officers. In both cases, he must possess the versatility to submerge himself wholly in the interests of whichever man he represents.

Second, if "he who would aspire to govern must first learn to obey," then he must be amenable to criticism and receptive to suggestions from his superiors. In their interests he must assume the rôle of the purse holder. Because he controls the outlay, he must search unceasingly for those economies consistent with good work; he

must initiate savings where he can, cut out unnecessary detail, adjust complaints, eliminate errors and, at the same time, his aim must be to increase efficiency.

Third, in charge of the campaign which is to bring victory, not defeat, he is to become a worker along with the rank and file of his force, setting the pace for the entire office, sincere in being the first in following out orders and commands, thus proving his own merit as well as furnishing an example which may serve to keep the whole army in step. With the aid of his reports, plans, and schedules he is to guide his men, to apportion the work, and to keep it with its ever-continuing variations passing through the office in a steady stream. He is to inspect to be sure that the results will pass muster, and he must strive unremittingly for improvement.

Fourth, he is to become the counselor and adviser of his men; he must be ever ready with words of encouragement and inspiration. He must be sympathetic, with that insight into human nature that keeps him at all times in sympathy with his workers and impels him to make allowance for certain forms of failure without losing his grasp on the firmness that knows when to drive and when to lead.

Fifth, he must have the confidence which comes from the knowledge of his work. It has been said that success depends upon knowledge and then more knowledge. The successful office manager must have a thorough, comprehensive understanding of every feature of the work he is to supervise, as well as a complete mastery of every detail, and he must possess the ability to pass these details on to the workers.

Sixth, he must have the initiative that is needed to accompany responsibility. Moreover, he may not be lacking in imagination, without which no one may plan for

the future; for his mind must contain the complete picture of what his office is to-day, and his power of imagination must visualize clearly for him into what form it may expand to-morrow.

Seventh, he must have had that experience which gains for him a comprehension of the possibilities and limitations of humankind; for he is to deal not with one class of employees, but with the succeeding grades from office boy, packers, and shippers up through to the highest executive. In the larger offices he is handling a complicated form of machine made up of many different parts, each a human being varying and uncertain, and from each of the parts he must get the best it can produce while making all parts fit together harmoniously.

Patience, loyalty, and eternal vigilance must be among the qualities which mean success for the office manager. He needs administrative skill and executive ability in the guidance and conduct of affairs in every department of office work. Successful office administration, as all organized human activity, requires leadership which is able, intelligent, sympathetic, progressive, and constructive.

TEST QUESTIONS

1. Why is constructive leadership essential in an office manager?
2. Why is it exceedingly difficult to measure an office manager's work on a cost and income basis?
3. What are seven special requirements essential to a successful office manager?
4. Would you say that it was easy or difficult to train a first-class office manager? Why?
5. How would you summarize in your own words the outstanding requirements in an office manager?

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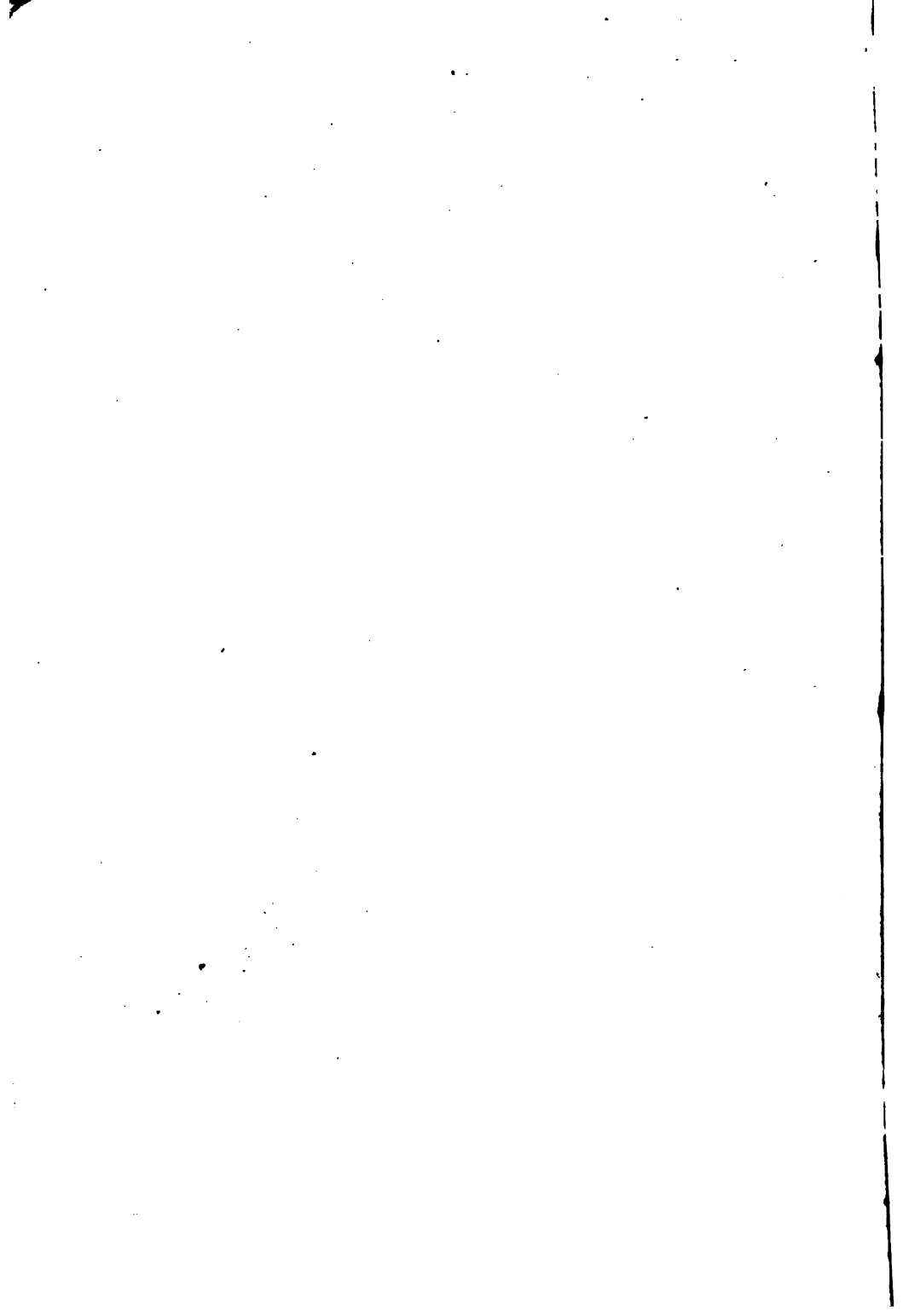
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